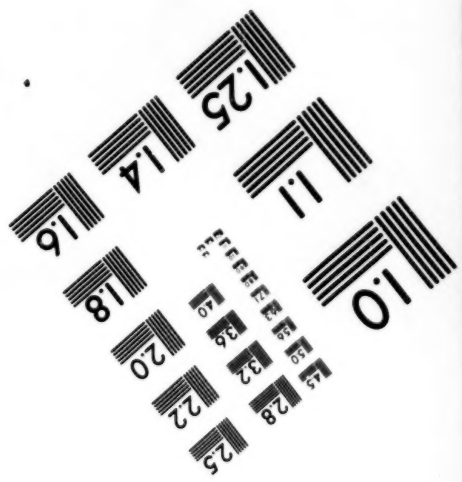
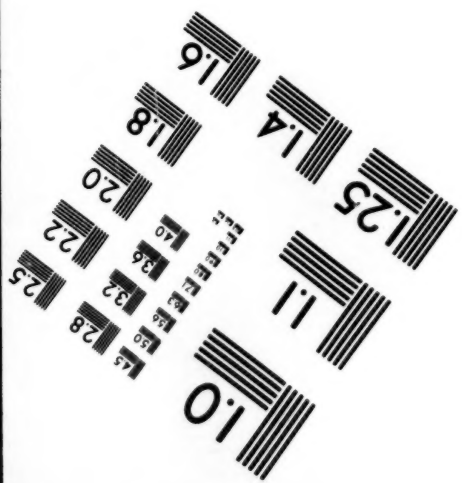
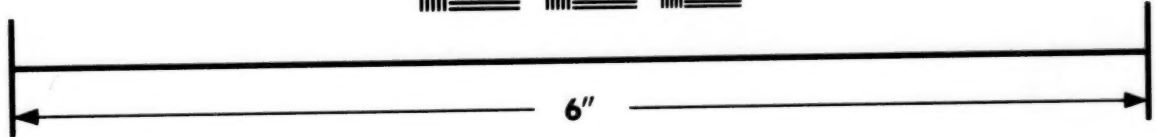
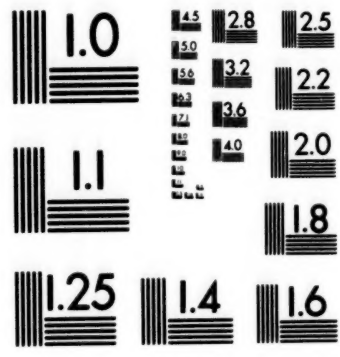


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23 JUNE 1982

# West Europe Report

No. 1985



FOREIGN BROADCAST INFORMATION SERVICE

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23 June 1982

## WEST EUROPE REPORT

No. 1985

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FURTHER DEVELOPMENT, USE OF TORNADO DESCRIBED

[Bonn WEHRTECHNIK in Germany May 82 pp 49-50]

[Text] The developmental phase of the Tornado, planned from the beginning of the program with a certain overlap to the production and use phase, is drawing to a close. At considerable expense, a modern weapons system was developed which is admired by pilots and engineers alike. As with all other weapons systems, a technical control phase is planned which is geared towards maintaining combat efficiency. In addition, considerations are under way on how the Tornado can be rendered more combat worthy and how the aircraft, which had been conceived from the very start with a certain "growth potential" in mind, could possibly be used also for other missions. WEHRTECHNIK spoke about this with the engineer in charge of the Tornado system, Hans Ambos. According to him, the Tornado has a certain degree of suitability for other missions, but--and this was emphasized by Ambos-- it does not represent an alternative to the tactical aircraft.

[Question] Last month, the air force put into service the weapons training component--the name, by the way, is not a very pretty creation--and the 150th Tornado is being delivered in March. Are you, as the expert in charge of the MRCA/Tornado weapons system, satisfied with the airplane?

[Answer] I am very satisfied with the Tornado, and the pilots are also full of praise. This is also an expression of respect for the engineers who have developed this airplane. In general, the number of flight hours per plane is very high, and more flight hours than expected have been achieved. All in all, the introduction has been more problem-free than expected.

[Question] In spite of this, you cite in your annual report certain problems which were also mentioned by the minister: among other things, you mention the engine, the weapons suspension, the terrain tracking system or the Eloka equipment. Does this represent great difficulties?

[Answer] The trinational MoU 11 describes the development which will come to a conclusion at the end of 1983. Certain things--including those named by you--did not enter the development until very late, but problems in this connection mean more that the engineer must concentrate especially hard on those points, rather than that they represent considerable difficulties or deficiencies. Things mentioned in the annual report concern primarily elements of the weapons system which are yet to be tested and approved.

[Question] Do you think that all these problems have been resolved satisfactorily at the end of the developmental phase?

[Answer] Yes, even if it is to be expected that some of this work will have to be continued during the technical control phase (ETB) which has begun this year. Adaptation and testing of externally carried equipment such as weapons, Aloka and reconnaissance devices are part of this phase.

[Question] This year, funds for the Tornado development have been cut, probably because of lack of available funds. Will this affect flight safety etc.?

[Answer] We have reduced costs from development from industrial projections by approximately DM 60 million to DM 437 million. In addition, engineering costs for "Production Investment" have been cut by approximately DM 50 million to approximately DM 260 million. But we did not make these reductions because there was no money, but rather because we believe that the development can be brought to a sensible conclusion with these funds. In addition, a slow unwinding of the development is better than an abrupt finish. For this reason, financial costs of the engine development had been reduced as early as 1980. In addition, costs in the form of many years were cut, not simply financial figures. Our partners Great Britain and Italy have followed suit.

[Question] How much will you be able to spend annually on the ETB, and will this also be a trinational collaboration?

[Answer] An ETB such as we are planning will require annual costs of up to DM 200 million from the German side. Based on the MoU 12, measures in connection with the use phase for the production time period must be considered a joint effort. We are also thinking of common formulations regarding maintenance of the Tornado's combat worthiness; initiation will probably occur on a national level, but we hope to be able to carry out as much as possible on the tri- or at least the binational level. For the Britons, by the way, the ETB phase is something entirely natural, we in Germany have never gone through this with a weapons system that we have developed ourselves. Since the main weapons systems have until now always been purchased, the U.S. Air Force had mostly done this preliminary work. Our air force entered into it only with the rearmament of these developmental elements.

[Question] What tasks are to be completed within the technical control phase?

[Answer] These are primarily engineering tasks involving the testing and preparation of modifications to maintain flight safety, operational safety and reliability, and to improve maintenance based on operational experience. With an estimated useful life of approximately 25 years, the logistics especially will require constant observation and possible improvement. With the ETB, the combat worthiness of the Tornado is to be maintained, wherever possible improved, and adapted to the threat. Part of this is the above-mentioned adaptation and testing of external equipment, the development, testing and introduction of technical modifications resulting from the operation of the fleet, as well as theoretical engineering considerations, i.e. considerations of how, based on the original requirements, the value of the aircraft can be improved and its deployment spectrum enlarged.

[Question] You speak of the improvement of the deployment spectrum, which reminds of the Tornado as the "multi-role combat aircraft." Does this mean that a continued development of the Tornado could be an alternative for the tactical aircraft?

[Answer] No, the Tornado is not an alternative to a tactical aircraft. If for no other reason, then because a tactical aircraft requires a higher turn rate, and as long as this requirement can not be relinquished, then the Tornado is not suitable for this. But the Tornado has been developed as a multi-role aircraft. In addition to its primary function of "interdiction," there is the British air defense variation, and an additional function is reconnaissance with a reconnaissance device. An essential requirement must be seen in its self-defense capability, and the demand for a high degree of "growth potential" had existed from the very start. A short range missile such as the Sidewinder or the later the ASRAAM is planned for self-defense. With the present radar with its optimal air-to-surface use and a limited air-to-air use for scanning, the capacities of a missile of the third generation such as ASRAAM would not be fully used; even for ASRAAM an improved air-to-air capacity would be required.

[Question] Is this type of modification of the existing radar a technical possibility?

[Answer] This question has not been fully answered yet, but specialists are telling me that it does not seem to be out of the range of possibilities. In any case, it should be examined. This search for technical measures, primarily in the area of radar software, to improve the air-to-air capacity is to be conducted within the use phase for the maintenance of the Tornado's combat worthiness. This means timely considerations--based on knowledge of the system--in the defense ministry, the air force and in industry of possibilities arising from new technologies. If the air-to-air capacities can be improved based on the existing radar, then this leads to the possibility of guiding a medium-range missile such as AMRAAM to its target. The possibility of engaging the enemy from a relatively large distance for effective self-defense must therefore be considered. Such ideas, based on knowledge of the system, can influence the technological work of the Defense Department in limiting the risks in terms of content, time and costs before the air force can pick up on these types of options.

[Question] The Tornado can therefore be used not only for self-defense but, e.g., also as protective escort for other Tornados?

[Answer] How the Tornado will be deployed, whether as special protective escort aircraft--i.e. in mix--or in various changing missions, is a question of strategies to be pursued by the air force. This has nothing to do with the technical capability. But if I must use a new radar rather than adapt the existing radar, then I must reconsider the entire thing since the integration of a new radar into an existing weapons system is connected with considerable costs. It is, however, cheaper than the development of a new airplane, but it would always represent a compromise. In this respect the technical possibility influences the question of strategies.

[Question] Assuming that the radar's air-to-air capability can be improved, while maintaining its very good air-to-surface capability, would that not mean that future Tornados would be very expensive aircraft?

[Answer] According to my calculations, every additional Tornado is approximately DM 30 million cheaper--including approximately DM 2 million by continuing the "learning curve" and DM 17 million by development cost write-offs, and more than DM 10 million by past expenses for production and capital investment. Relatively low redevelopment costs must be added, however.

The parameters for planning generally go beyond technology, mission and threat; finances and logistics are equally important. The Tornado is a complex system and requires a large part of the air force's logistic capacity with more than 200,000 supply elements for the aircraft and those of the ground devices. It is as extensive as that of all other flying systems put together. If I should develop and introduce a weapons system of similar complexity with the necessary logistical requirements, then this would place too high a demand on the air force's logistical system, or else the latter would have to be enlarged, and this means also more personnel. But if my resources are limited, then this could mean: reduction of combat units. All this merits very careful consideration.

[Question] Would you envision other missions that can be completed with the Tornado?

[Answer] We are presently spending DM 3 billion annually for the Tornado and have made considerable industrial investments for the future. These must be used further. Reconnaissance is possible with the Tornado, either with a reconnaissance device only--as the navy and partner air forces are already planning--or by using the canon space for other reconnaissance equipment. All this must first be analyzed and a compromise solution may have to be found in the end. But the Tornado can not be considered unsuitable for this from the start.

[Question] And the Tornado as ECM aircraft?



[Answer] Whether we need just a few of these machines is primarily a question of strategy. Based on the devices which would have to be installed, this can not be gotten for nothing. Surely only very few such planes will be needed--for that reason I think it better to possibly divide these missions among the alliance or else to buy other planes, if we must fulfill this role. At any rate, having the Tornado fulfill every single minirole would not be sensible.

[Question] The Tornado's ETB and the measures within the use phase concept mentioned by you should be an interesting package to the industry?

[Answer] Industry would of course like to develop a new aircraft. ETB and maintenance of combat worthiness, i.e. measures to extend the combat worthiness through the development of new individual parts, e.g. for navigation as an additional measure, is interesting to industry. But if it should be the only measure in the area of navigation, then industry is less enthusiastic. But we must not get away from reality: the apparent personnel shortage, logistical costs, existing growth potential and technical trends force us to make reductions somewhere. We must get away from the idea that we can not relinquish anything. This will lead to the elimination of this or that potential. At the same time, it is important that I plan in advance. Is it not an obligation for the insider to plan in advance measures to maintain and improve combat worthiness, to have suggestions for improvements and solutions ready, and to come up with ideas for the possible development of components? On the one hand, they serve to solve problems during the use of the weapons system, and on the other, to determine military requirements. Information regarding costs, use and technical risks are needed for this also. But in order to be able to evaluate the risks, modifications must be developed and tested, at least in their component parts. In this connection we should also consider ways to achieve reduction in production costs. It is useless, e.g., to consider the aerodynamic shape of an aircraft as "sacred cow" and then to spend a lot of money for expensive equipment such as kidney-shaped pumps, just because the shape of the fuselage requires it. This type of fine-tooth-combing can be done either in the pre-production phase--but then it requires more time, which was not always possible with the Tornado because of the overlapping of phases--or one considers it while improving devices and components for possible combat worthiness measures; this can also include lower material maintenance costs. In general, it should be an objective to use the initially required growth potential of the Tornado, to continue tests which measures are useful and how these measures can expand the Tornado's deployment range, especially not to overburden the logistical system of the air force. I am sure that the existing budget will be sufficient for the necessities.

9328

CSO: 3103/480



## AUTHORITIES CONFUSED OVER DEPORTATION OF SALVADORAN

Helsinki UUSI SUOMI in Finnish 8 Apr 82 pp 6-7

[Text] Confusion over the "chastisement" of Inspector Hannu Siljamaki, who refused a Salvadoran clergyman, Benito Tobar, entry into the country, was caused by two separate decisions, one by Chief of Police Erkki J. Korhonen and the other by Minister of Interior Mikko Jokela.

Last Tuesday there was astonishment that Inspector Siljamaki of the Alien Registration Office of the Ministry of Interior only learned of his "reprimand" through the radio news and the press.

The initial measure was taken by Chief of Police Erkki J. Korhonen, as in cases of refused entry Siljamaki should first consult the Ministry of Foreign Affairs and the police authorities. Inspector Siljamaki was informed about this decision, but he was not informed about Minister Mikko Jokela's decision, which had resulted from discussions with Prime Minister Kalevi Sorsa and Minister of Foreign Affairs Par Stenback. Minister Jokela's decision transferred Siljamaki to completely different duties.

## Ministers Disagree?

After it was disclosed that a Salvadoran clergyman had been refused entry into the country, Minister of Interior Jokela made a statement saying Siljamaki had acted correctly. Later, however, he changed his mind and went along with the Minister of Foreign Affairs' conclusion that Siljamaki lacks judgment.

The dispute between the ministers seems to have been a surface one, for Jokela apparently had to comment on the case without knowing the background. Jokela's statement that "naturally every person entering the country must have a passport" has been commented on as being the natural thing to say in defending one's own official.

## "No Law Without Consideration"

Minister Jokela said on Wednesday that generally speaking Siljamaki acted responsibly. The changes made in this man's duties must not be interpreted as punishment but as the outcome of an employer's normal right to rewrite a job.

According to Jokela, Siljamaki's having followed the letter of the law is no defense as "all laws require consideration as well."

Here again, bad judgment is hard to detect, but whenever judgment is lacking, it is noticed, Jokela said.

#### Suopo [Internal Security] Regrets News of Terrorism

Deputy Chief of Central Criminal Police Matti Tenhunen has criticized the looseness in some of the regulations of the new immigration law, which, Tenhunen believes makes it more difficult to prevent terrorist activities, among other things.

To support his criticism, Tenhunen on Tuesday disclosed a case in Finland 5 years ago when three Africans planned a terrorist hit on the embassy of a certain small nation.

The chief of Suopo, Policy Councillor Seppo Tiitinen does not wish to disclose how important a terrorist playground Finland may be. "I do not want to comment on terrorist threats and I should have hoped that there had been no such comments from anyone else either. Suopo monitors terrorism in Finland and informs about it whenever to do so appears beneficial to the nation's security," says Tiitinen.

9718

CSO: 3107/108

## NEW CONTROLS ON ENTRY OF FOREIGNERS TO BRING LITTLE CHANGE

Helsinki UUSI SUOMI in Finnish 8 Apr 82 p 7

[Commentary by Timo Lipponen]

[Text] Finland's attitude toward foreigners has caused talk for a long time, sometimes even beyond our borders.

The talk has mainly been about foreigners being refused entry and sent back to wherever they came from. Aliens trying to enter are not always able to prove they are tourists, nor do they have residence of work permits.

The treatment of refugees has also been criticized: to obtain political asylum in Finland is a rarity, no matter from which direction the refugee may come.

Moreover, these matters are sometimes kept secret so that there has been surprise even about the right decision the Finnish authorities have made. The latest case of secrecy concerned a terrorist hit some Africans had planned in Finland. Also, the reprimand Finland received from the UN Refugee Commission concerning the return of two Soviet hijackers was kept quiet.

#### New Law, Little Improvement

The new immigration law now in the parliament will to some degree improve aliens' protection under the law.

The lawmakers, however, have all along been under controversial pressure: on the one hand, it is a known fact that aliens' legal rights in Finland are among the weakest in the Western World; on the other hand, fear of international terrorism weighs in the scales, suggesting tighter regulations.

The deputy chief of the central criminal police, Matti Tenhunen, had criticized the proposed new immigration law because of the stipulation that a person suspected of terrorism must commit a crime before his home can be searched.

On the other hand, the new proposal has been criticized for being too cautious. The basis for granting an ordinary residence permit or a working permit is not clear: the Alien Registration Office of the Ministry of Interior is free either to grant or deny permits.

## Refugee and Asylum

According to the proposed new law, an alien can be granted asylum if he asks for it upon entering the country and presents valid reasons.

Thus, a refugee himself must be able to prove that he, in fact, is a refugee. This point in the proposal has been criticized because it may be difficult for a refugee not knowing the language and sitting in a place of internment to prove such a thing.

It will ultimately be decided by the minister of interior whether the right of asylum will be granted or denied. In Sweden, the practice has been developed further than in Finland: there the authorities must have a very good reason for refusing asylum.

Lars D. Eriksson, assistant professor of public justice, has commented on one other grievance. According to Eriksson, it is still possible for a refugee to be sent back right at the border since the new proposal does not contain pertinent regulations.

Parliament's treatment of the proposal will hardly produce a very liberal immigration law. This is due to the fact that Finland will not want to allow the international terrorism to gain a foothold here.

9718

CSO: 3107/108

## TRADE UNION FEDERATION CONGRESS ASSESSED

Zurich NEUE ZUERCHER ZEITUNG in German 25 May 82 p 5

## Demonstration of Unity by Trade Unions

[Article by sk. Berlin 21 May]

[Text] The Twelfth Federal Congress of the Trade Union Federation (DGB) in Berlin demonstrated a picture of unity in turbulent times. The disputes expected by many, in view of the new and serious accusations raised by the Hamburg magazine STERN and by the news magazine DER SPIEGEL against the home building association "Neue Heimat" [New Home] owned by the trade union, did not arise.

## Solidarity With the New Leadership

The delegates to the congress, in their five days of meetings, were obviously interested primarily in demonstrating solidarity with the trade union leadership during the present DGB crisis of confidence. This solidarity was also preserved in the election of new trade union chairman Breit and four new members of the board, who had been nominated by the trade union leadership.

Among delegate circles it was not considered impossible that the leftwing representatives, because of their displeasure with the scandal involving "Neue Heimat," might present their own candidate, especially in the election of the four new members to the Federation board, in order to teach the leadership a lesson.

That this did not happen and that in all the ballots, both for the new members of the Federation board and for the 17 individual trade unions, the candidates nominated by the trade union leadership were elected, was probably due to the fact that the delegates, for overriding reasons, wanted to preserve solidarity with the battered leadership during the present DGB crisis of confidence. Only board member Alois Pfeifer, who had originally been proposed as successor to incumbent chairman Oskar Vetter but had to withdraw his candidacy because of involvement in depreciation delays of "Neue Heimat" in Berlin, showed a mediocre result with 355 votes. As expected, new chairman Breit had the best election results and managed to get 499 of the 522 votes cast.

## A Counterforce Against Entrepreneurs

In his first policy speech after his election as DGB chairman, Breit formulated the trade union program for the near future. First of all, he stated that the trade unions, representing the interests of their members, are indeed a "counterforce" against entrepreneurs, but not against the parliamentary system of the Federal Republic of Germany. This does not mean, however, that trade unions are politically neutral, despite their independence from party politics. In this context, he clearly indicated the sympathy of the trade unions vis-a-vis the employment policy program adopted by the SPD at their Munich party congress. At the same time, he accused entrepreneurs and "neoconservative political circles" of using the present economic crisis and the strained budgetary situation for their "antisocial purposes."

Breit made it clear that the trade unions are not willing to sacrifice social achievements at the altar of budget consolidation, during this period of public budget deficits. The DGB would fight anyone who would try to touch the welfare state. To ward off serious cuts of the social safety net is therefore an important task of the trade unions in the near future.

### Future Tasks

It was stressed time and again during the delegates' meetings, and in the speech of the new chairman, that fighting unemployment will be the most urgent task of the trade unions in coming years. At the Berlin congress, the DGB again presented the demand for a 50-billion-DM program for the creation of new jobs and for stimulating the economy. To carry out such a program, the trade unions are willing to accept a further strain on the already tight budget situation. In the trade unions' view, those with higher incomes are to be made to pay. In order to create new jobs, the government must create the necessary financial climate; an additional tax on higher incomes could be one means, Breit declared. Reduction of working hours as a means of fighting unemployment is also part of the DGB program.

Despite the far-reaching demands in the field of employment policies, in Berlin the trade union leadership did not try to hide the fact that difficult times lie ahead. The delegates themselves had no illusions about high unemployment figures in coming years. With regard to the question of whether the delegates' declarations of solidarity with the trade union leadership had already overcome the DGB crisis of confidence caused by the "Neue Heimat" scandal, there were genuine doubts. Only at the grassroots level, in the factories, it would show whether the members accepted the fact that much had been swept under the rug in Berlin, despite the promises that the whole truth about the dealings surrounding "Neue Heimat" would be brought out into the open.

9917

CSO: 3103/489

## AGENCY FOR ECONOMIZING ENERGY OUTLINES GOALS, FINANCES

Paris COMBUSTIBLES ET CARBURANTS in French Apr 82 p 17

[Article: "The Program for Economizing Energy is Reoriented"]

[Text] In October 1981, parliament adopted an energy independence program which had as one of its principal components controlling consumption through an active policy of efficient energy use, the development of local sources of energy and the replacement of oil. These new trends are becoming national priorities.

The goals for reducing consumption over the time frame 1982-1990 are:

- For the residential and service sectors, 18 to 20.5 Toe;
- For the industrial sector, 10.5 million Toe;
- For the transportation sector, 9.7 million Toe.

Significant energy substitutions are also anticipated between now and 1990. Fuel oil consumption will be limited to 30 percent of total energy consumption.

The decrease in fuel oil use will come through increasing consumption of electricity, coal and natural gas and actively developing new energy sources (wood, solar, geothermal).

In order to implement this new policy properly, and with efficiency and coherence, the administration has decided to create an organization which will include the current resources of the AEE [Agency for Economizing Energy?], of COMES [Solar Energy Commission], of the Geothermal Committee and of the Heat Mission.

This organization should use all necessary means, from research--which will undergo significant growth--to distribution, and including development, experimentation and demonstration.

The networks of "federators" (firms or research departments) established by the agency should conform to the new trends.



The Agency's resources thus oriented, primarily toward aid in decisionmaking, should be complementary to the investment assistance implemented in different sectors:

- Long- and medium-term guaranteed loans and equipment leasing by Sofergie in industry;
- PALULOS (low income housing) and ANAH [expansion unknown] subsidies and officially agreed upon loans in the housing sector;
- Tax assistance for investment in industry and a tax deduction separate from the deduction of loan interest for purchasing housing;
- Use of the housing savings account for work designed to save energy.

At the same time the AEE will vigorously support the development of geothermal energy, heating with wood, heat systems and conversion of a certain number of industrial and municipal heating plants to coal.

Finally, speedy regionalization of the financial and human resources of the organization should permit a better use of the plan to fulfill needs expressed on the local level.

Detailed procedures corresponding to these new directions are being developed.

Communication will be developed and reoriented in order to give users and professionals an in-depth sensitivity toward the problems of controlling energy consumption.

Training activities will be undertaken, directed primarily toward the housing professions, industrialists and estate managers.

#### New Principles for Action in 1982

Within this framework, the board of directors of the AEE, meeting on 2 March under Jean Syrota, president, defined the new trends of the agency's assistance in the year 1982.

These trends can be summarized briefly as follows:

- An increase in the financial effort to support innovation, experimentation and demonstration in industry, agriculture, housing, services and transportation.

This type of support represents about 30 percent of the agency's budget. Its purpose is to encourage a rapid development of new products or procedures so that they will be widely distributed as quickly as possible.

- Agency assistance to consumers, which is not very efficient in the area of investment (it accounts for only 2 to 3 percent of the work to be done), will be reoriented to aid in decisionmaking.

The emphasis will be placed more on the quality and objectivity of thermal diagnoses, which should permit investors (industrialists, managers, local communities) to make decisions independently and with full knowledge of the facts.

With this in mind, the 400 franc/TEP subsidy will be eliminated and replaced by diagnostic assistance. The two procedures "ECO" (energy savings) and "PROMO" (encouragement of energy substitution) will be combined into a single one and methods of assistance will be adapted to each category of consumer (local communities, moderate income housing, owner-occupiers, and so on).

In industry, the agency and industrialists will draw up contracts by sector and contracts by firm in the areas of consumption control and energy substitution.

9720

CSO: 3100/577

## PAPER CONCERNED OVER ASPECTS OF 1982 BUDGET

Reykjavik MORGUNBLADID in Icelandic 8 Apr 82 p 16

[Editorial: "Is Our National Economy Headed for Confusion?"]

[Text] The loan law proposals are finishing their progress through the Althing, 3 months behind schedule, and the associated budget proposals should be taken care of before the end of the year. These two things in particular as well as the delay, are what concerns us. The main point is that these proposals do not involve merely decisions on borrowing money, as one might think, but also continuous changes in the newly approved budget. It seems to indicate slipshod working methods that not one-quarter of the fiscal year has gone by in which the government has not already had to change the budget with regard to items in the provisions of our loan laws.

Secondly, people are shocked by the fact that, despite the actual planned decrease in both raw energy and heating utility performance, we are heading toward a large increase in foreign debt this year. From February 1980, the present government has, in the section of its political program devoted to investments, had as a goal for the burden of foreign loan payments not to go above 15 percent of the nation's income from exports. On the other hand, the 1982 loan laws provide for an increase in foreign debt which would involve from 19 to 20 percent of our export income to pay off such debts. This is way past the danger point, and could have huge consequences should unforeseen swings occur in the national economy.

We will enumerate below the doubtful items which demand our attention as we read the 1982 loan laws:

-- Domestic money resources seem to be overestimated. The plan is to sell savings bonds at 150 million kronar, but last year's sales only amounted to 43 million kronar.

-- The increasing of foreign loans is frightful, despite the 40 percent reduction in energy import costs. The Currency Bank expects foreign loans at the end of the year to be at least 39 percent of the national product. The debt service is planned at 19 percent.

-- Total uncertainty reigns in the budgeting of funds for the Investment Fund so that half of the budgeted money from life annuity funds, money which was counted on in last year's economic plans, is lacking. This brings along with it a foreseeable deficit in the construction sector and a continuing decrease in capital investments.

-- The miscellaneous debts of the National Construction Fund to the Currency Bank were approximately 40 million kronar at the end of last year. In addition, the fund lacks 90 million kronar to follow through on the cutback schedule for this year, which only includes basic loans for 1,100 new housing units--in 1978 loans of this type covered just under 1,900 housing units. If we look at the whole picture, the budgeting of housing funds will draw a lot of attention this year.

-- Production in the heavy industry and manufacturing sectors will decrease approximately 43.5 percent in volume this year; heating utilities will decrease 43.5 percent; investment in the employment sector approximately 9.1 percent. Also, there is a foreseeable decrease in housing construction for another year. On the other hand, investment in public buildings will increase approximately 6.8 percent. Therefore, based on past budget plans and experience, the development of investments provokes anxiety.

-- Foreign loans to subsidize the production loss of government industries and basic employment sectors also point up the bad aspects of these loan laws. We should mention here the emergency loan which the Construction Fund has offered to the fisheries during the good years we have been having, as well as loans to compensate for production loss in the energy companies and the National Cement Factory.

The loan laws are, like the budget, dependent on a planned 33 percent price change between 1981 and 1982, meaning a 25 to 27 percent inflation from the beginning to the end of the year. This price development is the basic premise behind these laws. Since the time when these "calculations" of the Minister of Finance were put together in the autumn evenings, many things have changed which make this premise incompatible with reality. Basic purchasing has increased 3.25 percent beyond what was expected. The development of higher fish prices than were expected under these premises resulted in a drop in the exchange rate last January. The exchange rate of the dollar has risen approximately 32.2 percent since last 9 October, when the bill for the loan laws was first presented. Inflation, then, will clearly amount to more than 25 to 27 percent this year, and thus the premises of both our budget and our loan laws have become invalid.

The Currency Bank has calculated the loan term ratio for April as rising approximately 3.71 percent during that month, which is equivalent to 54.9 percent in 12 months. The National Economic Bureau has calculated the ratio for construction costs based on prices from the beginning of March. It seems to have risen approximately 11.7 percent, which is equivalent to 55.67 percent in 12 months. If we examine the increase in the maintenance ratio which has not been paid, it seems to have been 12.7 percent last 1 February, and the forecasts of the Economic Bureau and the Economic Institute indicate that a similar increase will occur by the first of May of this year. This is equivalent to 58 percent in 12

months. Even though the paid maintenance ratio is based on the price increase calculations, which are clearly misleading yardsticks, the inflation rate using that yardstick would be 45 percent for 12 months.

It therefore is clear to every Tom, Dick and Harry that, considering the prevalent inflation rate and assuming an exchange rate decrease from the time when the loan law bill was presented, the premises of these proposals are already invalid. The provisions of political agreements at the same inflation rate made in this country and in our neighbor nations in 1982 have, therefore, turned into a "Hafnarfjordur joke." But the heart of the matter is that the loan laws, which are built on these false premises as regards inflation, the exchange rate, and a higher value of production will involve a real and large-scale cutback in production and could lead to serious confusion in our nation's economic system.

9584

CSO: 3111/33

## FOREIGN DEBT INCREASE OF 2.7 MILLION KRONUR DAILY IN 1981

Reykjavik MORGUNBLADID in Icelandic 1 Apr 1982 p 11

[Article by Minister of Commerce Tomas Arnason]

[Text] I could not pass up the opportunity to correct the mistaken information which David Scheving Thorsteinsson gave at the yearly meeting of industrialists concerning the increasing of borrowing and the use of foreign loan money. In an open letter to me which appeared in MORGUNBLADID yesterday, Thorsteinsson explained that his statements were supported by figures from the February 1982 monthly report of the Currency Bank of Iceland. These figures, on the other hand, are dependent on the varying exchange rates for the American dollar at the end of September in 1980 and 1981. Even though these figures are correct in themselves, they are not comparable, because the exchange rate of the dollar rose approximately 46.4 percent in those 12 months. If we were to assume that no new loans had been taken during this period and no payments were made on standing loans, then in Icelandic kronar all of our foreign debts would have risen from 4.99 billion to 7.319 billion for these reasons alone. According to the figures on which Thorsteinsson bases his assertions, foreign loans rose to 8.319 billion kronar. On a basis comparable to the exchange rate, then, the increase during the period under study amounted to 1 billion kronar, or 2.7 million kronar daily, but not 10 million kronur as Thorsteinsson has insisted.

Thorsteinsson has committed a serious error here. He probably did not intend to swallow the raw data whole, without determining that the figures were incompatible because of the changes in exchange rate. I feel compelled to correct his error.

I have also pointed out Thorsteinsson's faulty assumptions that foreign loans would be used for important needs. In this regard, Thorsteinsson cited the Fisheries Minister's objections to our having taken out foreign loans to pay interest and installment payments on foreign loans. The rule is not to grant authority for taking out foreign loans in order to make interest payments, but, in certain circumstances, authority is granted for extending the term of a loan, which is often too short taking into consideration basic production profits or the loss of investment properties. This is why, for example, loans for the purchase of freighters, which were granted for a 5-year term, were extended when it became impossible to plan to pay them off in full in such a short time. An extension of this kind, on the other hand, does not at all

change the investment loans into consumption loans, as Thorsteinsson seems to have intended to state in his reply.

Finally, I would also like to repeat what I said at the Merchant's Union meeting when I discussed these matters:

"Although I have corrected Thorsteinsson's assertions, I will not minimize the risks which accompany high foreign loans. It is one of our most urgent tasks as Icelanders to bring down inflation and thus increase domestic savings for the purpose of the necessary progress of our nation."

9584

CSO: 3111/33



## NATIONAL ECONOMIC INSTITUTE FORECASTS DECLINE IN 1982 GNP

Reykjavik MORGUNBLADID in Icelandic 15 Apr 82 p 48

[Text] "Information concerning export production, trade opportunities and national expenditure leads to the conclusion that in 1982 national production and national income will decrease by approximately 1 percent, or approximately 2 percent for each person. Using national production as a yardstick, however, the decrease will probably be rather smaller. This is what happened the first time national production decreased, in 1975," points out the national economic forecast of the National Economic Institute, among other things.

"The most significant reason for the decrease in national production will be a large decrease in the capelin fisheries, or even a cessation of capelin fishing. Large increases in fishing capacity have been the mainspring of economic growth in this country in the last few years, just as they in fact have always been in the past. This decrease will affect the employment sector in one way or another, but the effects will be felt first in those areas where the capelin industry has been most significant. Furthermore, this could lead to shortened working hours, just as in 1975. This will probably not be made clear, however, until the autumn, and will much depend on what happens next winter, since the summer is always a very important production period."

The forecast for trade opportunities has been calculated on an overview basis, assuming trade opportunities are unchanged from the first few months of the year. The price of marine products in dollars is somewhat lower than last year, especially since the value of salt fish in dollars has decreased because of the precipitous slide of the exchange rates of European currencies relative to the dollar. On the import side, the price of oil on the Rotterdam market has decreased significantly recently, but plans will also have to be made for continued price hikes as regards imports from other sources. The dollar exchange rate has risen significantly since the end of last year. The forecast on trade opportunities is based on the January and February dollar exchange rate not changing in relation to most European currencies. If the abovementioned assumptions are used as a basis, trade opportunities in goods exchange will be approximately 1 percent lower this year than last, but if service industries are included, trade opportunities may remain unchanged. However, this depends on the

present price of oil being continued and the exchange rate of the dollar not decreasing. There are no indications of price hikes in marine products on the foreign markets.

The forecast for national expenditures, on the other hand, was based on the capital investment forecast, which is mostly unchanged from last autumn's investment and loan plan for 1982 and on the assumption per capita consumption will not change from last year. Expenses for individual consumption increased sharply in the last half of last year, and probably also in the first few months of this year, but developments later in the year may, among other things, decrease national expenditure approximately 0.7 percent without inventory changes, or approximately 1.3 percent including them. A significant trade deficit last year and a fisheries decline this year will put strict restraints on national expenditure. If the increase is more than here estimated, it will result in an unavoidable increase in the trade deficit, the National Economic Forecast points out, among other things.

9584

CSO: 3111/33

## REVISION OF ENERGY POLICY DEEMED KEY TO ECONOMIC GROWTH

Madrid COMERCIO INDUSTRIA in Spanish 30 Apr 82 p 5

[Article by A. J. Gonzalez Muniz]

[Text] Tension and problems have plagued the industrial sphere as a result of the paralyzation of the project to obtain iron ore pellets at Fregenal de la Sierra. The Council of Ministers in early April agreed to set a deadline for the completion of a study to determine whether to go ahead with the project. The national iron and steel industry is in dire straits. The reconversion of the National Iron and Steel Enterprise, Inc. (ENSIDESA) plant has given rise to conflicts. The shipbuilding industry requires a plan for the large shipyards. The Cortes are studying the industrial reconversion bill, having passed into law the government's decree-law. These and other factors are just the consequence of the economic crisis that Western economies have been grappling with since 1973. The government had to decide on an industrial reconversion policy.

The Spanish situation brings to mind once again a reality with its own peculiar traits due to our delayed industrialization process. These are its features: indiscriminate industrialization for the supply of a market of unsatisfied needs, strong protectionism, a lack of competitiveness and little technological development with high wage costs and inadequately developed businesses, and a deficient financial structure. Other factors derived from the latest international crisis can be added: the strong surge in raw materials costs, a major decline in demand, and a lack of staying power in the market.

Following the directives of the government program outlined by President Calvo-Sotelo in his inauguration speech, which we have discussed on other occasions, industrial reconversion is approached according to the principle that the true protagonists are labor and management. This does not mean the total exclusion of the state; it has supportive and organizational functions which ensure the ultimate public interest of actions, neutralizing the costs of the readjustment operation to prevent a sharp rise in these costs from impeding the reconversion even though it is necessary for the good of all, whether in basic or strategic sectors, with a strong export capacity, or in sectors that may have a strong influence on the employment picture or in the make-up of the gross domestic product.

Industrial reconversion basically pursues certain objectives aimed at solving the crisis that is battering these sectors. It is expressed in the following lines of action: the enhancement of the competitive position of basic Spanish industries in world markets, and consequently, the reduction of production costs to levels comparable to those of the European Economic Community countries; the capitalization of businesses and the resultant cutting of financial costs; technical development and investment designed to provide the quality goods demanded by the international market, with special support and attention for the marketing of such products on a national and international scale.

Reconversion has been applied to the electrical appliance, special steels, industrial iron and steel, textile and automotive equipment sectors. Reconversion measures are planned for other sectors this year, including common steels, shipbuilding, heavy foundries and paper.

#### Revision of PEN

One of the keys to the Spanish industrial policy is the National Energy Plan (PEN), approved by the Cortes in late June 1979, and subject to revision depending on economic developments. The delay in this revision could lead to difficult circumstances, because the plan and its resolutions serve as a guide for the energy policy developed by the government.

It may be recalled that the National Energy Plan established a series of objectives and directives based on the analysis of international raw materials markets, the study of available technologies, and the detailed examination of the international and national energy and economic situations. These objectives and directives are still in effect, and in general coincide with the principles upon which countries suffering from energy shortages base their energy policies. They can be summed up in the following 6 points:

Effective moderation of increases in energy consumption; reduced dependence on oil; maximum utilization of national sources of energy; development of new sources of energy; effective diversification of energy supplies; and greater efficiency in the use of energy in productive processes, decreasing the elasticity of the ratio between energy consumption and the gross domestic product.

The PEN proposal also included an estimate of the trends in demand for the period between 1978 and 1987, while stressing the need to update that estimate periodically, including revisions as soon as any fundamental change took place in the premises of the estimate.

Two years after the initiation of the National Energy Plan, on 29 December of last year, the government felt it was an appropriate time to update the plan because of the events of that year and the progress made toward carrying out some programs in progress:

Prices of crude oils have grown at a faster pace than the prediction used to estimate demand. This circumstance has been aggravated by a parallel depreciation in the peseta with respect to the dollar.

Economic activity (growth of the gross domestic product) has evolved at a more sluggish rate than anticipated.

The above two facts, along with a strict pricing policy and the progressive application of the energy conservation policy, have generated a real downturn in energy consumption.

Meanwhile, the acceleration of some sectorial programs has modified the energy supply structure, such that the change in the orientation of our supply envisioned in the National Energy Plan can already be felt. This means that the role played by each source of energy must be reevaluated. In this regard, most of the programmed activities are progressing satisfactorily, having surpassed the levels targeted for the end of 1981.

The results obtained from different econometric models, duly compared with each other, have led to a hypothetical projection of the energy balance. Taking into account as well the energy conservation measures, this yields a primary energy demand of 124.2 and 152.1 million equivalent tons of coal for 1985-1990, respectively, as compared to 105.1 million equivalent tons estimated for 1981. The percentage structure by source is as follows:

	1981	1985	1990
Water (half year)	11.3%	10.0%	9.2%
Nuclear	3.4%	10.6%	15.1%
Coal	21.3%	24.3%	22.8%
Petroleum	61.4%	49.3%	45.2%
New sources	--	0.4%	1.6%

This demand target presupposes the continuation of the downward trend in the consumption/income ratio, and an increase in self-sufficiency which, by the end of the period under study, should total 15 percent of overall energy needs.

Compared to the 1978 National Energy Plan, approved by the Cortes the following year, the 1982 update leaves the nuclear and hydroelectric energy quotas practically unchanged, and reduces the share of petroleum, principally in favor of coal and natural gas. New energy sources will play a complementary role in energy supplies.

#### Energy Policy of PEN

In order to obtain the basic objectives of the energy policy, the National Energy Plan contains the following directives and sectorial programs:

Coal: More familiarity with deposits, plus a policy of incentives and prices, will allow for an increase in national production from 34 million tons in 1981 to about 41 million tons in 1990.

Demand for coal coverage will be complemented with imports, backed up by shares in foreign mining and long-term contracts, continuing the policy already begun.

**Petroleum:** The petroleum sector will continue to be adjusted to the envisioned structure of demand for oil products, in which light and medium distillates are given relatively greater weight (Refinery Reconversion Plan).

National production will rise to an estimated 3.6 million equivalent tons by 1990, and will supply 5 percent of petroleum needs that year.

**Natural Gas:** The share of natural gas in the primary energy picture is supposed to grow, so that the diversification and quality benefits that this raw material represents can really be obtained.

During the period of the National Energy Plan, our network is to be connected with the European system so that the origin of our supplies can be diversified.

National production should reach about 3 million equivalent tons by 1990, covering more than 3 percent of the natural gas needs estimated for that time.

**Nuclear Energy:** The construction and operation of approved nuclear units is expected to continue, as are activities already underway to augment national participation in the program, specifically in the operations of the nuclear fuel cycle.

Eleven new groups are supposed to be connected to the network, with a capacity of 10,621 megawatts. Nuclear reactors will supply 15.1 percent of our primary energy needs and 38 percent of electricity needs by 1990.

The revised National Energy Plan establishes guidelines for dealing with residues in the context of the nuclear fuel cycle.

**Hydroelectricity:** During the 1981-1990 period, available hydroelectricity is expected to expand by approximately 5,500 megawatts, although producible energy will not increase by the same proportion.

At the same time, the program to build small hydroelectric plants will continue, with a potential production of more than 6,000 kilowatt hours per year.

**Electrical Sector:** The electrical sector will continue to play a strategic role in the revised National Energy Plan, due to the greater potential for substituting petroleum that this sector offers compared to others. For this reason, the planned investment program will proceed, until the following electricity demand coverage figures are obtained in 1990: 33 percent from coal; 38 percent from nuclear energy; 25 percent from hydroelectricity; and 4 percent from hydrocarbons.

The National Energy Plan calls for continuing the installation of rural electrification facilities, and the completion of the already-begun Center for the Coordination of Exploitation and Transportation of the Electrical System.

**Energy Conservation and New Technologies:** The framework set up in the Energy Conservation Act will be complemented with stimuli that will contribute to the objectives indicated for the various consumer sectors.

As for technological development in energy, the revised National Energy Plan includes a significant increase in the investments to be made.

Investments: The cumulative amount of investments for the 1981-84 4-year period is estimated at 2.4 trillion 1981 pesetas for the entire energy sector.

The effective application of the sectorial policies outlined here will permit a rational energy program that will reduce our country's dependence on other countries, and consolidate the bases for sustained and harmonious growth.

8926

CSO: 3110/149



## DATA SHOW ECONOMY STILL IN DOLDRUMS

Madrid COMERCIO INDUSTRIA in Spanish 30 Apr 82 p 4

[Text] At the time these comments are being made, the survey of the industrial situation for the month of January has just come out. The variables analyzed therein confirm the results that have been noted since June 1981, with the exception of July and November, in terms of a consolidation of the recovery of the industrial sector. In any case, we feel the results of the survey have been given excessive coverage in the mass media, since the term consolidation has been used to describe some results that correspond more closely to a wait-and-see situation than to a recovery.

To be sure, the characteristics of this consolidation of the industrial sector recovery are based on an improvement in the backlog of orders, particularly in the capital goods and consumer goods sectors; and an improved production curve, at 9 points below the normal level. The sector-by-sector production curve yields a more positive result, primarily in the intermediate goods sector, with a curve more than 5 points above the normal level. The capital goods sector, on the other hand, has experienced an 11-point drop in its production level compared to the previous month. Finally, the result of the analysis of inventory levels is not very encouraging either. In December inventories of finished goods declined, which was interpreted as a positive development in that it presaged a future recovery of production if demand continued to improve. In January, however, inventories grew by 5 points over the previous month, with a considerable growth of capital and consumer goods.

The results of the survey of the industrial situation for the month of January 1982 show the following:

--The maintenance of the slightly positive trend in the capital goods sector, which began during the second half of 1981, as reflected in the backlog of orders situation.

--However, production curves and inventory levels indicate that the capital goods sector could lose the positive impulse of this period in the coming months. In contrast, prospects are brighter for the intermediate goods sector in the area of production.

The consumer goods sector does not show any clear indication of a change in the present situation; the negative results of recent months will apparently persist.

--The industrial sector has certainly not changed its situation very significantly, despite the elements that point to a consolidation of the recovery. What is certain is that the capital goods sector shows some rather gloomy prospects for the medium term.

#### Consumer Prices

During February, the Consumer Price Index (CPI) rose by 0.8 percent, according to provisional data compiled by the National Statistics Institute (INE).

This variation indicates that for the first 2 months of the year the cumulative index was 2.6 percent. If we compare the change in prices of the first 2 months with that of the same period of 1981, we see that they are identical.

In annual terms, that is, between February 1982 and February 1981, the variation in the CPI is 14.5 percent, a half point higher than the difference between February 1981 and February 1980. This means that the objective of obtaining a considerable reduction in the inflation rate will be a difficult task, in view of February's results.

Finally, the average difference in agricultural prices will be 13.14 percent, without counting wine, cotton and oil.

According to the Ministry of Agriculture, this change will represent 0.6 percent of the CPI.

In short, it could be said that 1982 will be a good year to cut the CPI, given the stabilization of the price of crude oil. However, the two inflationary threats will be the food component and the inflationary impact of the devaluation of the peseta.

#### Unemployment

According to the unemployment figures compiled by the INEM [expansion unknown], in February a total of 1,816,797 people were out of work. This represents 14.09 percent of the labor force.

By sector, the figures contained in that statistic are as follows: agriculture, 91,788 people; industry, 462,301 people; construction, 415,375; services, 461,103; and the group classified as "without prior employment," 386,230.

In addition, the survey of the labor force for the last quarter of 1981 indicates, among other things, that the total number of unemployed people by the end of the year was 1,988,000, or 15.39 percent of the work force. When those who are marginally employed were taken into account, the unemployment figure rose to 2,070,900.

The results of the survey of the labor force for the fourth quarter of 1981, in comparison with the previous quarter, indicate a growth in the work force of 0.25 percent, and an increase of unemployment totaling 5.88 percent.

Among the various sectors that were included in this study, industry and services underwent increases of 12.79 and 12.05 percent in their respective unemployment figures, while the construction sector experienced a drop of 4.14 percent compared to the same quarter of the previous year.

Finally, in the European Economic Community (EEC), by the end of 1981 the number of unemployed had reached 10.3 million, which means 9.3 percent of the labor force.

#### Foreign Trade

During January the foreign sector stayed in good shape. Exports rose to 146.088 billion pesetas, a 49.7 percent growth over January 1981. Imports totaled 244.025 billion pesetas, an increase of 69.694 billion pesetas over the same period of 1981, or a 40 percent growth.

The monthly deficit reached 97.937 billion pesetas in January, a 27.6 percent rise over January 1981.

If the growth of exports in January is compared with the same figure for December, we see a 37 percent drop. As for imports, there was a decline of approximately 15 percent. The coverage rate for January was 60 percent, 3 points below the 1981 figure.

It appears that the export sector has maintained its growth rate in comparison with the same period of the previous year, even though there was an appreciable drop with respect to December.

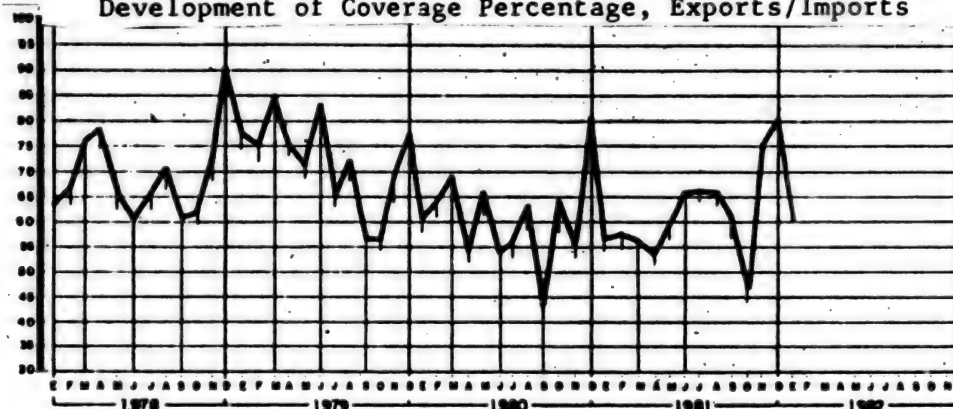
Imports have maintained the growth rate of previous months, which can be explained by the development of the capital goods sector and the increase in exports.

It is clear that some of our exports have been affected by the loss of the peseta's value with respect to the dollar, which could mean greater competitiveness for exports in dollars.

On the other hand, the stability of energy prices and the cuts in energy consumption, just as in 1981, could leave a wide margin in our balance of trade this fiscal year, and may lead to improved terms of trade.

Foreign Trade: Imports corresponding to January 1982 reached 244.025 billion pesetas, as compared with 146.088 billion pesetas for exports. The deficit, thus, is nearly 98 billion pesetas, and the coverage rate is 60 percent.

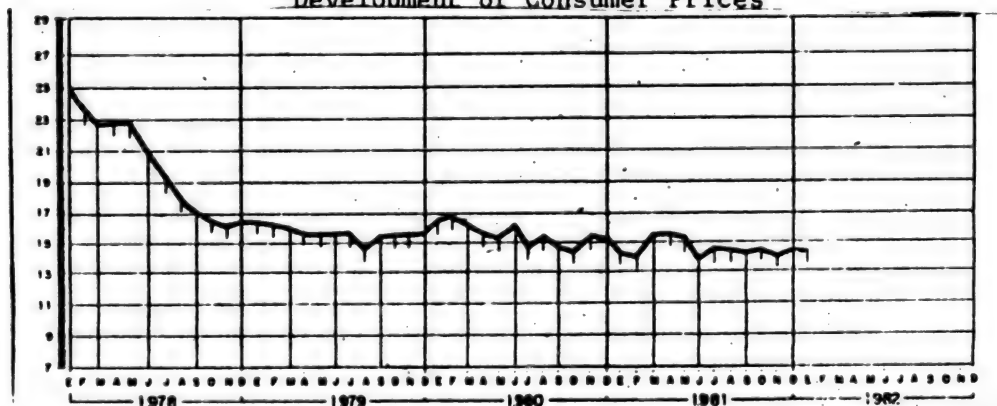
Development of Coverage Percentage, Exports/Imports



Monthly percentage of exports over imports

Inflation: The Consumer Price Index in February rose by 0.8 percent, which represents an annual growth of 14.5 percent.

Development of Consumer Prices

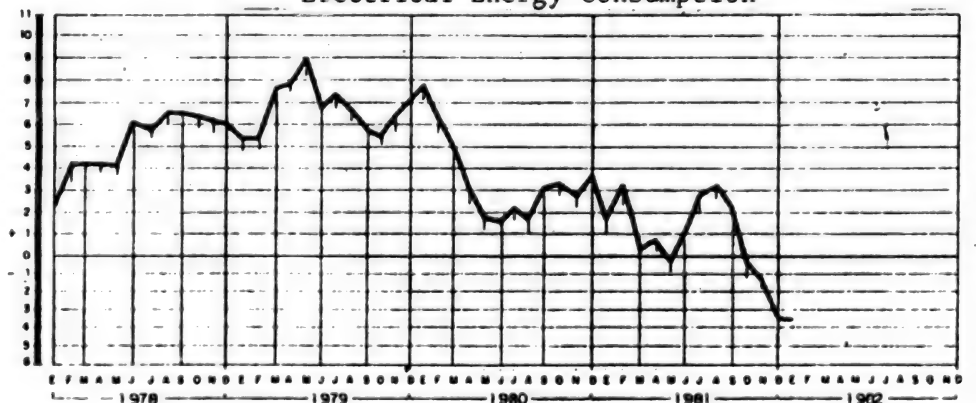


Growth of prices over same month of previous year

Electrical Energy: Average consumption of electrical energy during the past month of February totaled 8.386 million kwh, which yields a negative 2.3 percent, in comparison with the same period of the previous year. This confirms once again the adverse trend of this variable in recent months.

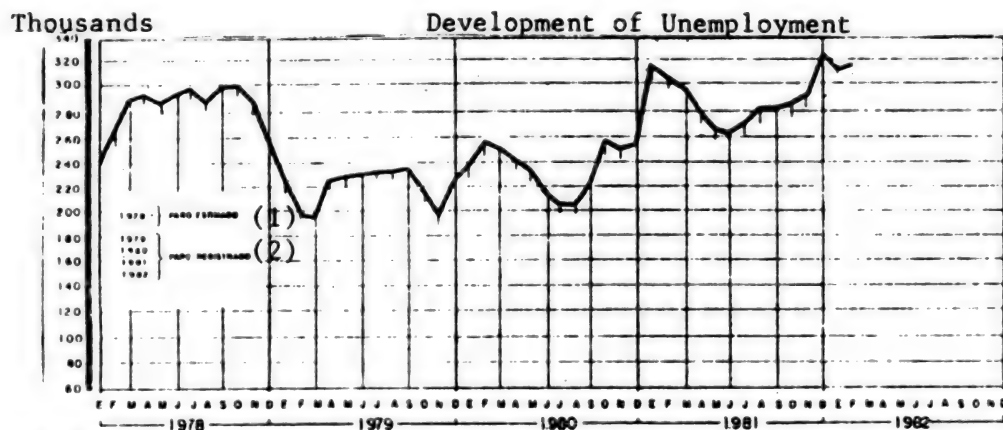
The average quarterly variation, as indicated in the graph, was a negative 3.82 percent in February.

Electrical Energy Consumption



Variations in the measurement of the last 3 months of electrical energy consumption, in comparison with the same period of the previous year.

Unemployment: At the end of February, the total number of registered unemployed workers was 1,816,797, which reflects an increase of 317,300 people over the same month of the previous year.



Variations in the absolute number of unemployed compared with the same month of the previous year, according to unemployment registration statistics, compiled by the Ministry of Labor.

Key:

1. Estimated Unemployment
2. Registered Unemployment

8926

CSO: 3110/149

## CEOE SEEN AS BECOMING MORE DIRECTLY INVOLVED POLITICALLY

Madrid DIARIO 16 in Spanish 18 May 82 p 18

[Article by Primo Gonzalez; passages enclosed in slantlines printed in boldface]

[Text] You could see it coming: the participation of businessmen in the Andalusian election campaign, a kind of dress rehearsal for the general elections, with the specter of an alliance between the Socialists and the Communists, and the weakness of this government, which may worsen if the Andalusian results are disappointing for the government party. All of these circumstances made a confrontation between the businessmen's party and the Socialists almost inevitable. For an observer somewhat removed from the Spanish scene, /it might appear that the seats of the future Andalusian parliament are up for grabs between the Spanish Socialist Workers Party (PSOE) and the CEOE [Spanish Confederation of Business Organizations]./ The businessmen's party has taken over the defense of the free market economy, private property and all things that should be defended effectively by a solid party that is capable of winning elections. But /businessmen have no confidence in the Democratic Center Union (UCD) or its ability to win, either in Andalusia or in the general elections. Thus, they have thrown their hat into the ring as one more party./ Is this good for the country, for democracy and for business? There are people who are beginning to wonder.

## Promotion

Aside from the controversial decision of the supervisors of the electoral process (a decision that partially deprives a social agent of the legitimate exercise of the freedom of expression, and therefore deserves no further comment), /the basic issue is to what extent bad relations between business leaders and the left can jeopardize the functions of our national economy./ Why does the CEOE, and in particular some of its leaders, try to see more demons in the left than really exist? It is true that Spanish Socialism is an unknown element that is difficult to verify and authenticate for many Spanish citizens and businessmen, and most likely many leaders of that party would not know how to resolve that issue except by attaining power. /"As long as the Socialists are eternally condemned to the opposition, we businessmen will never know to what extent the exercise of power would convert them into an element of moderation,"/ commented a CEOE leader a few months ago when the



increasing politicization of the party was beginning to concern some of its leaders.

#### More Demons

There is a strong and perhaps predominant faction in the Spanish Socialist Party that could in the future lead it down clearly social democratic paths. Relations with our French neighbors are not exactly good, perhaps because of the atypical nature of Spanish Socialism in the European context. The Europeans would have the Spanish Socialists play a more radical role, in consonance with our country's level of economic development. These facts are sufficiently well known to business leaders. So, the question is: /Why exacerbate tensions and play into the hands of those who might lead the Spanish Socialists toward more extreme positions?/ Those who are responsible for the ideological explosion in Andalusia should seriously study this situation, because in the final analysis, if the PSOE exists and has so many votes, it must be so that one day, probably not too far in the future, it will attain power and determine the fate of this country.

#### All Eggs in One Basket

At that time will there be a liberal and conservative party capable of playing the role of the opposition? Sometimes, listening to some CEOE leaders, one has the impression that that party could only be the CEOE. /It is risky to desperately place the entire defense of business interests in one basket./ The business sector belongs to everyone, and it might be giving short shrift to the cause of its survival if there is prior ideological posturing that is as exclusive as some hardliners of the Spanish business sector advocate. /The temptation to form a parallel party,/ in view of the hypothetical failure of UCD as the representative of the great liberal and conservative wings, defending the free market economy and competition as a basic rule for an efficient economy, /is a major risk on which the businessmen of all civilized nations seem to have turned their backs systematically./

Another issue that should not be ignored is the electoral commitment that a conciliatory PSOE would have to make to broad sectors of the population in an election. A radicalized Socialist party does not jibe very well with the party that clearly sells to the highest bidder in general elections. With a clear and undeniable electoral victory, the Socialists can only contribute to the consolidation of democracy and the execution of a program that represents the aspirations of very disparate sectors of the Spanish population. This would probably mean a commitment to moderation among its leaders. If the Socialist victory is as narrow as the ones the government party has been winning lately, it is frightening to think of what might happen with a weak government of leftists. Under these circumstances, one might ask: /What is worse for business interests, a weak Socialism governing with a lot of harassment and probably heading toward radicalization, or a forcibly moderate Socialism with the backing of the silent majority, that would have chosen that route as a means to find a more effective government? The third hypothesis, involving a PSOE perpetually in the opposition, might at first glance appear to be the most beneficial; but it would force businessmen to undertake a



serious examination of the effectiveness of recent administrations in this country in terms of business interests.

#### Confusion of Roles

But in the dialectical war that is being waged in the Andalusian campaign, it would also be unfair to advocate the total silence of businessmen. /It is one thing to criticize their abrupt remarks, and another to deny them the right to express an opinion./ Isn't there a confusion of roles sometimes between unions and leftist causes? Moreover, in this obvious melee, can businessmen be criticized for participating actively in politics, when politicians so frequently pretend to be businessmen, and when such unpleasant spectacles are produced as the controversy over the economic and political feasibility of the Presur Project?

In this battle of absurdities, /it is hard to understand, finally, why the CEOE made the risky move of becoming the enemy of a political party which all polls indicate will be the clear and absolute victor in these elections, and presumably in the upcoming general elections./ It appears that the CEOE leaders chose a bad strategy, especially if it leads to the temptation to head for the hills after the foreseeable results.

#### Some Optimism

The latest report of the Organization for Economic Cooperation and Development (OECD) on the Spanish economic situation has reinforced the theory of those in charge of economic policy in the sense that the economy is heading toward a certain recovery, more elusive in the second half of this year but clearly visible by 1983. /The symptoms of economic improvement,/ which cannot be seen so clearly from the inside, /would fit very well in the political calendar devised by some government leaders: elections next spring,/ when the economic situation will allow UCD to emerge from the long tunnel of the crisis.

/Will this party survive until that time?/ The answer will come very soon, by the end of the month. But what the OECD has just predicted is that the next legislature will begin with clearly encouraging signs: unemployment under control and appreciable economic growth thanks to the beneficial effects of a world economy in relative expansion.

#### Fewer Differences

In terms of the distribution of wealth in the world, the crisis has played a notable role in reducing the imbalances, as indicated in the latest report on National Income by the Bank of Bilbao. This development is logical because of the largely industrial slant of the economic crisis, considering that the spectacular booms of recent years in some Spanish provinces, such as the Basque provinces and Madrid, have been built around industry.

One of the fears that plague some economic analysts is that /the autonomy process could cause this phenomenon to cave in./

8926

CSO: 3110/149

## PCF CENTRAL COMMITTEE MEMBER ON POLISH EVENTS

Paris CAHIERS DU COMMUNISME in French Feb-Mar 82 pp 252-254

[By Sylviane Ainardi: "About the Events in Poland; What is Meant by Responsibility," speech education specialist from Haute Garonne, member of the Central Committee, 35 years old]

[Text] If the position taken by the PCF on the events in Poland is not immediately understood or indeed accepted, I claim the right in the name of the exponents of this position to be as moved and as touched as those who oppose it.

Yes, Polish events have sensitized communists. How could it be otherwise when they concern a people who are close to us, a people with whom we have knit ties of friendship and of solidarity; when it is a matter of socialism, the society for which we French communists are struggling.

Although emotions may run high, they must not lead us to judge arbitrarily. Our objective in this area of socialism begins with a responsible step: to take reality into consideration in the development of socialism; to do everything so that socialism may develop and overcome its contradictions. Comrade Georges Marchais has said in his report: "An unprecedented human adventure." In considering a century which has set in motion 3 billion men and women, it is not very Marxist to think that such a movement grows without setbacks, without problems, indeed without tragedies.

Socialism is the bearer of contradictions, and we think it also bears within itself the means to overcome them positively. That is what the draft resolution says. Do the events in Poland contradict such an evaluation? Not to my way of thinking.

To measure and appreciate the real development of socialism, one must consider the point of departure of all these countries sprung from feudalism, from colonialism, from world war. One must compare Cuba to Nicaragua, Bulgaria to Turkey.

The whole current international situation shows that, despite the many efforts of American imperialism, this stimulus has considerable impact in the domain of peace. The draft resolution adds the end of illiteracy, the end of exploitation

of man by man, scientific and sociocultural discoveries ignored here, however [sentence as published]. And if there is some observation, some criticism, to make it is the need for us all to reflect on the fact that we ought to bring the reality of socialism, with its contradictions, its difficulties, but also its successes, to the attention of our people. It is incumbent on us to see to it that people do not speak of socialism only in moments of crises or tragedies; that is an incomplete version of reality. All this is also true for Poland.

In the conference debates, comrades have spoken of the defeat of socialism in Poland. That is rather hasty. Poland is going through a grave crisis with tragic consequences. But there is also a Poland that started out with 70 percent of its means of production obtained at the end of the war, an extraordinary development from 1971 to 1975 with modernization of production, development of a standard of living that also was a source of difficulties, an archaic and unadapted system of agriculture, a chronic disequilibrium between supply and demand, a very rich cultural life, yet also with centralist concepts. Here we certainly have a contradictory development.

It must also be added that the weight of the international environment and the crisis of the capitalist system also have repercussions on socialist countries.

There is another element: the contradictions arising from the development of socialism itself.

In this connection, we should do well to study the analysis in the report. Also, it seems to me to be oversimplifying matters when thinking of difficulties only to take those problems of democracy limited to questions of expression; there are many more essential problems.

Contradictions in Polish society are born of the needs of economic development and the backwardness of agriculture; they are born of new aspirations, frustrated by the fact of an incapacity to respond to them; they are born of a trade union practice oriented toward management without taking into account the real needs of workers. They are also born of the weakness of the political and ideological activity of the PZPR [Polish United Workers Party].

As the draft says, these questions face socialist countries as a whole. But there, too, the answer is not the same everywhere. In each concrete situation, a question such as that of democracy, with its universal dimensions, is posed in different ways, with its own development and its own history. Democracy in Cuba is from start to finish a creation without any historical precedent, and it can have neither the same forms nor the same foundations as in Hungary where the process of the development of socialism has already been confronted by a rupture from which the Hungarian communists drew lessons for the evolution of their own democratic forms.

In France, we are accustomed to parliamentarianism, and it is a historical component that we take into consideration while struggling for democratization. But we have also had experience with the referendum and we have even experienced what a referendum can bring in a crisis situation, as was the case in 1958.

The effort to understand, the will to see the Polish people come out of their difficulties, forbids us from taking a sketchy or impoverished view of that reality, including the causes of the crisis situation.

To refer to the PZPR's inability to control the evolution of questions which arose is one thing; but, if one stops there, one eliminates other components which are the point of departure for putting socialism into effect: the socio-cultural Polish reality, the inexperience of a young working class.

In the same way, what happened during the last period, and led to Jaruzelski's extreme measure, also does not show the whole picture. It is everything together which leads me to think that the position taken by the party is most responsible from two points of view: the interest of socialism and the interest of the Polish people.

We should try to maintain a clear view of reality even if we are absorbed by the Polish crisis. It would be just as wrong to conclude that socialism is hell because problems arise as it would be to imagine that it is a paradise. There is no social and human paradise. There is a struggle on a historical scale to build a society that responds to the new needs of our time. It is a construction that is undertaken under the most diverse circumstances and within the framework of a fierce international struggle.

Confronted with the events in Poland, we consider that our attitude does not reflect embarrassment or difficulties. It is the expression of a will: Do everything so that Poland resumes its march forward, for socialist renewal, for a return to democratic life.

The events in Poland are of a tragic, even a dramatic, character. It is legitimate to wonder about the reasons which have led to such a situation. However, to wonder is not to propose a readymade answer, nor to propose our own strategy as the valid model for Poland. Nor is it to see the end of everything in the state of emergency which reflects the determined attitude of a revolutionary leadership. It means taking into account the fact that the explosive situation presented all the characteristics of the hazards of civil war, which was avoided, as was foreign intervention, and in this case do nothing that might harm the national concord; to avoid confrontation is a responsible attitude, indeed.

However dramatic the situation may be, today there is a hope that a Polish brand of socialism may live on, but internal confrontation or foreign intervention would have reduced it to nothing for a long time to come.

If the Polish crisis and the state of emergency shocks us and makes us wonder, the kind of socialism for which we struggle and its universal component, democracy, cannot lead us to deny the possibility of progress because we are not satisfied with the immediate situation. To do everything to preserve that possibility--that is indeed the responsible position of a revolutionary party that wishes to build socialism in its own country, and it is in solidarity with existing socialism and the struggles for its development.

## PCF CONGRESS DELEGATE ON PROGRESS OF CHINESE SOCIALISM

Paris CAHIERS DU COMMUNISME in French Feb-Mar 82 pp 255, 256

[Speech by Alain Roux (Professor from Seine-Saint Denis, member of section committee, 47 years old): "Contemporary Socialism in China"]

[Text] The victory of the Chinese revolution in 1949 was one of the major events of the history of our time. As Jacques Duclos said in September 1956 at the time of the Eighth Congress of the CCP, this victory has "furnished peoples subjected to colonial oppression with a glorious model for raising the banner of national independence." This historic victory powerfully contributed to the favorable evolution of the balance of forces between imperialism and peoples struggling for liberation and independence.

The successes won by Chinese socialism--basically during the first 10 years of the PRC--the "glorious decade," as Jou En-lai would say--and confirmed after the institution of the "four modernizations" policy--attest to the validity of socialism as a solution for the problem of struggling peoples.

That is because the Chinese people's successes are considerable, even if the general defamation campaign against socialism attacks China with increasing frequency and seeks to deny these successes. China is beginning to leave the zone of absolute poverty, of endemic hunger, chronic illnesses and the oppression and humiliation of the individual into which, unhappily, the underdeveloped countries that have not chosen the socialist road to development are sinking more deeply each day. The Chinese people themselves have recovered their national dignity. They are fed (what an exploit to feed a fourth of humanity with 7 percent of the world's cultivated lands!), housed, educated and clothed. Nearly 1 billion people work to break away from the long calamity of adversity. They have "secured results, even achieved breakthroughs." Infant mortality in China is approaching that of the more developed countries. To compare the per capita production of two countries which share certain fundamental traits, China which is socialist and India which is not, China produced a third more grain, two times more steel, two times more cement.... Certainly, there are some dark spots. Some failures, even some tragedies.

China has lost much time--more than 10 years--during the endless convulsions of the Cultural Revolution which followed the utopianism and voluntarism of the



"great leap forward." There has been a considerable waste of wealth, of men, of hopes lost. This could have been, and should have been, avoided. That is exactly the view of the CCP itself, as expressed at the sixth plenum of its Central Committee last June.

The important document which was adopted then recalls the paramount role of development of productive forces. It condemns the theory of the emergence of a new bourgeoisie within the party, which served as a justification for triggering off the turmoil of the Red Guards. It reevaluates the historic role of Mao Zedong and specifies that Mao Zedong's thought is the "crystallization of the collective thinking of the entire CCP" and no longer a dogma proclaimed by an infallible leader. Mao's errors and faults are presented as particularly serious beginning in 1958. The Chinese revolution which had, one might say, marched on its head, is thus now placed back on its feet.

We know that this positive evolution owes much to the decisive intervention of the Chinese people in political life, particularly in April 1976. At Tian Anmen Square in Beijing and in numerous other cities at that time, the Chinese people, despite repression, proclaimed their attachment to renovating socialism according to what Chinese comrades call the "four modernizations," and their rejection of the authoritarian and dogmatic socialism of the "gang of four." Thus, in its own way, China itself also confirms the observation our party made when studying all the socialist countries and which our 22d Congress expressed: "Socialism everywhere has a democratic requirement."

This growing aspiration for a more extensive democratization in all aspects of social life has since been confirmed in China, with complex changes, even retreats, followed by needed periods of juridical consolidation. The struggle continues against authoritarian bureaucracy, against arbitrariness, for the complete liberation of women, for improvement in relations between people in the villages and in the factories, so that the working class and the Chinese people fully carry out the leading role attributed to them: in brief, for that "cultural revolution" in the true meaning of the term, about which Lenin spoke in 1923, as "needed...after the political and social revolution, so that a country may be fully socialist." This democratic requirement appears to me as the indispensable complement of the "four modernizations" program. The program's success depends on it; and, at the same time, the program's success is needed to fulfill that requirement.

One must wish the Chinese people and their party full success in that task in order to construct a socialism in Chinese colors.

9772

CSO: 3100/544

## PCF CONGRESS DELEGATE ON SOURCES OF, SOLUTION TO, POLISH CRISIS

Paris CAHIERS DU COMMUNISME in French Feb-Mar 82 pp 257-260

[Speech by Jacques Estager, 60 years old, journalism from Nord Department and member of the Federal Bureau: "The Polish Nation Should Find Within Itself the Means To Overcome the Crisis:]

[Text] Problems posed by the events in Poland and their most recent developments were discussed in the sections conferences and at the federal conference of the Nord Department. The impact of these events was all the greater on the party and on public opinion since our region maintains close relations with Poland, particularly because Franco-Polish families make up a large part of the population. It is therefore not surprising that public opinion here was particularly sensitive to these events.

For more than 15 months, communists and workers in general have followed with understanding and sympathy the efforts of the Polish people to find an answer to the questions posed during the summer of 1980, to correct the errors of the preceding period, and to begin profound reforms in the economy and in society in order to give an authentic democratic and self-managing content to socialism.

This awareness of the need for changes in socialism, this seeking for an extension of socialist democracy as an essential means to solve the problems posed, this effort to "respect the universal principles of socialist construction" as General Jaruzelski wrote in his response to Georges Marchais, and "at the same time to take into account Polish specifics"--all that inspired much interest.

The turn of events on 13 December provoked concerns equal to the hopes inspired by socialist renewal, concerns expressed in my federal conference in terms of questions on the many problems such events pose to communists.

Beyond these legitimate questions, which encourage us to deepen our analysis, communists of the Nord Department approved without reservation the position taken by our party and set forth in George Marchais' declaration of 13 December, in the Political Bureau's communique of the 17th, and in the 23 December letter to General Jaruzelski.

This approval is based on three fundamental reasons.



In the first place, the position of the PCF is a responsible position. In putting forward the necessity of doing nothing that could hamper the seeking of a peaceful solution, we find what was the major concern of the Polish people in those dramatic days: to avoid at all costs a domestic confrontation which would be suicidal for the nation. By doing this, the PCF was taking the circumstances into consideration and dramatizing nothing. In December 1981, there was a real danger of civil war in Poland.

One after another, all the elements of a confrontation came into position. The risk of that confrontation was not a story made up by the government in order to justify the state of emergency, although in France this was completely obscured by the media. It was sufficiently real for the Polish church to present it as the greatest danger threatening the nation and for the Pope to launch an appeal to avoid above all shedding Polish blood again.

Beginning with such a situation, our party's position is the only possible responsible one for the vital interests of the Polish people; it is also responsible in regard to peace in Europe.

The second reason why we fully approve the party position is that it is in keeping with the current situation in Poland, with the reestablishment of constitutional rights and individual freedoms, the resumption of the process of socialist renewal and the pursuit of reforms. The present state of affairs obviously seems to contradict this political intention, affirmed by the Polish Government. No one denies that these contradictions exist and will be difficult to overcome.

The outcome of events does not depend on us. The Polish people write their own history. By expressing our understanding of the situation, we support neither the errors nor the distortions of socialism, nor the current state of affairs.

In taking into account the intentions expressed by General Jaruzelski in the letter to Georges Marchais, intentions to preserve and consolidate all the positive elements introduced into Polish public life by the Gdansk accords, to pursue a far-reaching program of reforms, to recognize fully the place of self-managed and really independent trade unions, to promote worker self-management, we are taking into account the only possible democratic outcome of the Polish crisis.

Our third reason for approving the party's position is that it leaves our freedom of judgment intact, it in no way limits our thought and our analysis of the problems posed by the development of socialism in Poland and elsewhere. It leaves us complete freedom to appreciate, as the draft resolution says, "the movement and the contradictions of socialist countries in their reality, without blinkers and without prejudice."

This clear, responsible and open position of our party meets with the growing support of the workers in our region despite the unprecedented media campaign. In fact, the extraordinary hubbub created since 13 December, and which comes much more from a broad anticommunist and anti-Soviet operation than from a concern to help the Polish people, is beginning to die down; especially as the coalition formed to carry out this campaign is not lacking in strangeness.

Thus, the Nord Department working class wonders when it sees the textile management, the ones who pay their men and women workers the lowest wages in France and who lead the attacks against trade union freedoms; it wonders when it sees this management along with its political representatives and its newspaper, NORD-ECLAIR, take the lead in a campaign in favor of Solidarity, of trade union rights, of worker rights and self-management in Poland. In the same way, one can wonder about the true motives of Mr Chirac and his friends, who are also out in front in this campaign, who have suddenly become very meticulous about democratic questions and indignant at the presence of a general at the head of affairs in Poland and the role the army is made to play there. Such indignation by those responsible for 13 May 1968 in France is astounding.

The workers who are miners in the Nord-Pas-de-Calais Department, they, too, wonder about the remarkable capacity for forgetfulness in these matters of certain authorities who presume to vilify Poland. In fact, within the workers' memory there is the recollection of the months of October and November 1948 when a state of emergency was instituted in the mining basin of Nord-Pas-de-Calais; when the army occupied the pits, 3,000 strikers were arrested, 2,200 sentenced to 15 days to 2 years in prison, thousands dismissed from work; and it was only after the 10 May victory that some of those managed to have their rights recognized in the counting of years for retirement. The ones who cry the loudest about Poland are those who justified the repression of the miners, who authored 13 May 1968, who were responsible for Charonne 20 years ago, who, in the colonial wars into which they dragged our country, violated not only the rights of man but the rights of nations. But those people in France who are the enemies of the French working class are not and cannot be the friends of the Polish workers, much less the qualified defenders of democratic and self-managing socialism.

This is said not to minimize the gravity of the problems which the events in Poland pose, and pose to us, but to take note of the fact that there are suspect indignations and the sudden and immoderate love which the French Right, as well as a certain part of the left, bear for the Polish people poorly conceals the hope of destabilizing a socialist state and thereby striking a severe blow at the community of socialist countries.

While speaking of Poland last Saturday, the president of the Republic considered that "the Polish people are still undergoing the consequences of World War Two." By that he meant to suggest that Poland, through its current difficulties, is paying for the Yalta agreements. Yesterday, he repeated that assertion, declaring before the foreign press that a state of siege has been going on in Poland since Yalta.

For the Polish people the tragic consequences of World War II are not the Yalta accords, which marked Poland's return to national existence within its historic and assured frontiers, but the ruin and destruction of war, razed cities, industries destroyed, and 6 million dead.

From 1945 to 1970, for 25 years, the Polish people have been faced with a double task. On the one hand, they had to catch up from the very massive backwardness resulting from 123 years of foreign occupation as well as from the capitalist

regime between the wars. On the other hand, they had to raise up from its ruins a country bled white by World War II, with 40 percent of its national wealth destroyed. If socioeconomic transformations were carried out at a rapid pace in the period from 1944 to 1970, it was only to compensate for what had not been done in the 19th century and the first 40 years of this century. Polish economists place the first phase of the development of their economy only at the beginning of the 1970s. The forced draft industrialization carried out during this decade took place in an economy that was still poorly balanced, marked by zones of underdevelopment and regional disequilibrium, consequences of an historic heritage. And this took place also at a time when the immense destruction of the war had not been completely restored. The Polish crisis should also be seen against this background.

As for claiming that without Yalta Poland remaining in the orbit of the Western powers and the capitalist world, would have had happy days, history has already decided. Poland experienced capitalism, particularly from 1919 to 1939. In 1919, the national income of Poland was six times less than that of Western countries. But 20 years later, in 1939, the gap had increased instead of decreasing. And the country had 5 million unemployed workers and landless peasants. It was a Poland of poverty, illiteracy and underdevelopment.

In 1980, on the eve of the current crisis, that gap was reduced to two-and-a-half times. And that took place despite the immense losses of the war. Socialism accelerated the country's development at the same time that it provided for a whole people's cultural advance. It made an industrialized country out of a backward Poland. Thus, the balance sheet of these last 35 years does not show only dark shadows.

All crises only bring forward what is negative, and for months we have had only a dark picture of Poland. But, however serious the crisis, it does not efface what has been acquired during these 35 years when Poland experienced the greatest socioeconomic transformation of its history. That is why the report which the Polish crisis obliges us to draw up is not on the historic failure of socialism, as some hasten to proclaim, but it is a report on the failure of a policy at a given step in the development of socialism. It is a policy that failed to recognize both the economic realities and the requirement for democracy of which socialism is the bearer; it is a policy that led the party to isolate itself, tragically, from the people.

As Georges Marchais pointed out in his report, "there is a close connection between social progress, economic efficiency and the increasing in democracy." The Polish crisis confirms that this increase in democracy is indeed a key question for the development of socialist societies.

The events in Poland have posed this problem in a real situation and in a concrete way. In our approach to socialist countries, the lead us to take into consideration the contradictory character of their internal development. They confirm that the continued development of socialist democracy and deployment of the creative initiative of the masses are the means of overcoming the contradictions and removing the obstructions in order to pass on to a higher stage of development. But they show that contradictions can develop into a crisis if

they are not resolved in time. They also cause one to consider the influence of a historic heritage and the international environment. They confirm that, by wishing to skip stages, without taking into consideration the real possibilities of the country, one can end with a result that is the opposite of what was intended. They confirm that there is no finished form of socialism which one can attain at once through a voluntary step, by projecting Utopia onto reality. But that socialism and the democracy from which it is inseparable are continuously in formation.

Let each people explore their own roads under their own conditions. The position taken by the PCF on the events in Poland directly follow these reflections, which had already engaged our 23d Congress. The text updating [actualisant] the draft resolution concerning Poland seems to me to sum up this position very clearly, in particular when it states: "The Polish nation should find within itself the resources needed to overcome the crisis, and bring to the questions posed responses for which socialism offers the means."

9772

CSO: 3100/544

## PAPER VIEWS 'SHORT-SIGHTED' GOVERNMENT ECONOMIC POLICIES

Reykjavik MORGUNBLADID in Icelandic 31 Mar 82 p 16

[Editorial: "The Role of Politicians"]

[Text] Ministers in the administration of Gunnar Thoroddsen seem to concentrate on everything but the real role of politicians. Because of internal disputes in the government, within the political parties or among those members of parliament who support the government, the ministers take care of services and decisions from one day to the next. They are caught in their own trap and all their energy is devoted to taking care of problems that related to the government coalition itself. The ministers totally neglect to explain the main factors of the national economy; the development of economic affairs; future projects and goals.

The speech given by Steingrímur Hermannsson, chairman of the Progressive Party, at the central committee meeting last week is typical of the shortsightedness which characterizes the policy and work of the current government. Nothing in the speech itself comes as a surprise. What the minister does not mention is more notable. The fact is that the minister makes no attempt to describe the consequences if national production is reduced this year. What will happen if capelin fishing is prohibited? What are the effects of the alloy plant at Grundartangi being run at such a great loss as has become apparent? The chairman of the Progressive Party does not answer questions such as these. He, however, devotes all the more time to talk about the "subsidy"--the artificial world the government lives in and must continue to live in, according to the Progressives, as otherwise they have no business being in this administration.

It is not at all the role of politicians to paint a false picture of their own national life and pretend that all is well, when there is fire below; when uncertainty is spreading among the citizens, injustice increases and the basis for the main industries is being attacked. The opinion that the administration is past its prime is constantly gaining support. The speech by the chairman of the Progressive Party and the resolution of the party's central committee confirm that that opinion is justified. The Progressive Party Central Committee meeting also confirms that in those quarters the role of the politician is considered to be to keep guard at the system's every doorway and hold on to the reigns of power as long as possible. Obviously courage is needed to admit that one has made a mistake. This courage is lacking in the Progressive Party and its leadership. Thereby the party fails in its role.

It is obvious that the ministers' plans regarding the survival of the government are only for a few weeks at a time. Even though they speak as if the government will remain in power throughout the term, such statements are always made with the reservation that the government will survive some imminent conflict. A government that considers its chief role to be to prevent arguments and internal disputes among the ministers from becoming public and fatal to the government itself is, of course, failing in its main duty of forming a policy for the welfare of the people and the country.

9583

CSO: 3111/32



## PROGRESSIVE PARTY LEADERS WAGE FOREIGN POLICY FIGHT

Reykjavik MORGUNBLADID in Icelandic 31 Mar 82 p 16

[Article: "General Meeting of Progressive Party's Central Committee: Severe Disputes Among Progressives Over Foreign Affairs"]

[Text] A harsh exchange of words took place at the general meeting of the Progressive Party Central Committee last Sunday over the foreign affairs section of the committee's policy resolution. People expressed dissatisfaction with the draft and many motions were made to omit a portion of it. One of the central committee members, Hakon Hakonarson from Akureyri, stated that he had never seen such lack of confidence in any minister as the lack of confidence in the foreign minister expressed in the draft resolution. The resolution was approved at the end of the meeting without dropping the section which Hakonarson and others felt should be omitted. A change of emphasis was made with regard to conditions concerning the withdrawal of the military force. Furthermore, an addendum stating that all attempts made by the Defense Force to interfere in domestic affairs would be criticized was approved.

Concerning the statements made by Hakonarson that the draft implied lack of confidence in Foreign Minister Olafur Johannesson, Steingrimur Hermannsson said that Johannesson had read the draft and had nothing to say so far as he knew. When asked, Hermannsson said that he did not know how the Defense Force would conduct the defense of the country in time of war. At any rate, the Defense Force would defend the country in order to defend itself.

The beginning of the resolution states that Icelanders should do whatever they can to reduce the danger of nuclear war in the world. Furthermore, it states that the Progressive Party should take the initiative. Olafur Th. Thordarson, member of parliament, said in the beginning of his speech that he felt Hermannsson had enough tasks to contend with; he did not need to add this. The committee members took delight in this statement and laughed. Thordarson then spoke especially about the statement of support for "free and independent peace movements which work for bilateral disarmament" and said that the peace movements which had been active in West Europe this fall had been sailing under a false



flag, and he moved that the first half of the proposal be dropped. He also said the second half of the proposal, which deals with the necessity of explaining the plan for the defense of Iceland in time of conflict is unnecessary and made a motion, as did many other members, that it also be dropped.

Gardar Hannesson, Hveragerdi, used harsh words about Thordarson, and said that his statements probably were the result of sleeping aboard an aircraft carrier. Hannesson said that the opposition to the peace movement was similar to the atmosphere that prevailed when Hitler came to power in Germany. He moved that the resolution include the section criticizing all interference by the Defense Force in domestic affairs.

Eysteinn Jonsson, former chairman of the Progressive Party, also criticized Thordarson for his remarks about the peace movements, and said that if we do not believe in them, there is no hope. Jonsson said he was pleased that these matters were being brought to the forefront. At the end of Jonsson's speech, Thordarson asked for the chair to discuss rules of procedure, calling it unacceptable for people to make motions and personal insults after the time limit for speakers has run out, and suggested that, as it is planned to write the history of the Progressive Party over the last decades, it would be only fair and just to make sure that Jonsson's part in making the stay of the Defense Force in the country permanent is given special mention.

Helgi H. Johsson, reporter, also spoke and said that he and Thorarinn Thorarinnsson, editor of TIMINN, conceived the draft. Jonsson said that Foreign Minister Johannesson had read the draft, when it was longer and more detailed, that is, before it became necessary to shorten it. Johannesson had made various comments which Jonsson said he felt had been dealt with fairly. Jonsson also criticized Thordarson for making fun of what came forth in the proposals and said that, in spite of our small size, we could have an effect in the international arena.

Bjorn Lindal, Reykjavik, seconded what Thordarson had said about the peace movements and said that it is a known fact that the most conspicuous peace movements want unilateral disarmament in West Europe. Lindal added that we must not be so naive as to believe that peace will be ensured if we alone disarm. Haraldur Olafsson, lecturer, agreed that the last paragraph should be dropped. Olafsson said that the defense of Iceland is a much larger issue and in a larger context so that it is impossible to deal with the issue as is being done in the draft.

The committee's foreign policy resolution, with the amendments approved at the meeting, is as follows: "The general meeting of the Central Committee of the Progressive Party deems it necessary that Icelanders do whatever possible to reduce the danger of nuclear war in the world. The Progressive Party must take an initiative on this issue.

"The general meeting is pleased with the parliamentary resolution made by the party's members of parliament about an international convention for disarmament in the North Atlantic. The committee declares support for free and independent peace movements which work for bilateral disarmament.

As before, it is the policy of the Progressive Party to participate in the defense alliances of Western nations, but, at the same time, that the foreign military force withdraw as soon as conditions permit. Under the prevailing conditions, the committee considers it right to pursue an unchanged policy in foreign affairs. All interference by the Defense Force in domestic affairs should be criticized. The committee meeting therefore emphasizes that the activities of the Defense Force will not be increased in any way. The separation of the military and the nation should be made as clear as possible. The committee meeting expressed pleasure in the work the foreign minister had done in this field.

"The general meeting considers it necessary to elaborate on how the plan to defend Iceland in time of conflict functions. The general meeting considers that knowledge imperative for the operation of Civil Defense."

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CSO: 3111/32

## FOREIGN MINISTER JOHANNESSEN ON DISARMAMENT ISSUES

Reykjavik MORGUNBLADID in Icelandic 7 Apr 82

[Article: "Plafur Johannesson: Unilateral Disarmament Out of the Question"]

[Text] The Defense Force Has Never Had Any Influence on Domestic Affairs

"The arms race is the most serious worry in our part of the world," said Olafur Johannesson, foreign minister, when he introduced his report on foreign affairs in the Althing yesterday. The responsibility lies primarily on the superpowers, but in reality on all of us. The arms control issue is in deadlock. It is in a vicious circle which must be broken. Unilateral disarmament is out of the question and will not come to pass, as it is unrealistic. Mutual understanding is needed. On disarmament, the foreign minister said further that the issue of Poland will be the most difficult to hurdle at the Madrid Conference this fall.

The foreign minister said that the Cold War is now intensifying all over the world, contrasts are becoming more defined and, unfortunately, the signs of war are to be seen in many places. The foreign minister referred to the unrest in the Middle East; tension in Central America; imbalance between rich nations and poor (North-South talks) and the economic difficulties of industrial nations which are manifested in extensive unemployment among other things. The human race is faced with more uncertainty and lack of security than ever before.

The foreign minister said that analysts of European cooperation are now more optimistic than before that plans for democracy in Turkey will succeed, both in substance and in the time planned.

Voter turnout in El Salvador was much greater than expected, and some conclusions can perhaps be drawn from that. On the other hand, however, the Christian Democratic Party, which received the greatest number of votes, did not gain the majority but it was won by more militant powers. This does not increase the possibility of a peaceful solution.

The minister was not optimistic about a definite/foreseeable turning point regarding disarmament, and he said that testing of nuclear weapons had taken place on the average once a week somewhere in the world ever since the end of the first special session of the United Nations on disarmament. The foreign minister then referred to what is reported in the beginning of this news release.

Johannesson said that the twice yearly meetings of the foreign ministers of the Nordic countries to coordinate their views have been successful. The foreign ministers have always taken a united position at the United Nations. Johannesson spoke about the activities and the work conditions of the Defense Council, which handles all matters concerning the Defense Force and also supervises law enforcement within the agreed area, and the need to increase the staff of the Defense Council. He said in that connection: During the years that I have been foreign minister, the Defense Force has never attempted to interfere in domestic affairs and the condition for its presence here is namely, that it will not happen.

The foreign minister said that 12 states had formed a working group within the United Nations in order to seek conciliation between the views of the United States and the developing countries on the Law of the Sea issue. That is, as regards the right to the ocean floor in the open sea.

Finally, the foreign minister referred to the cooperation of rich nations and poor nations and spoke especially about UNICEF, which Icelanders have been praised for supporting--but which now is not the case. It can be estimated that 40,000 children will die during the next 24 hours because of malnutrition or neglect; 1 billion children will go to sleep hungry tonight; 10 million children will suffer mentally and physically because of living conditions before the end of this year; and 17 million children will die before the age of 5. At the same time, we are arguing whether we should show generosity in increasing our contribution of aid for the developing countries to 65 eyrir of every 1,000 krona of the gross national product.

Only a few points from the foreign minister's speech have been briefly mentioned here; but in general he followed the printed report which he submitted to the Althing a few weeks ago.

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## ALTHING DEBATES FOREIGN POLICY, INCLUDING TURKEY, POLAND

Reykjavik MORGUNBLADID in Icelandic 7 Apr 82 p 9

[Article: "Geir Hallgrimsson: Peace with Freedom--Not Peace in Chains"]

[Text] A Crack in the Government's Security Policy from the Beginning

Geir Hallgrimsson (Independence Party), chairman of the Committee for Foreign Affairs, thanked Foreign Minister Olafur Johannesson for a good report on foreign affairs and good cooperation with the committee. The handling of foreign affairs, along with economic management, decides whether Icelanders will succeed in ensuring their independence. It is therefore necessary for Icelanders to follow policies and trends in foreign affairs and secure internal unity, national unity, in foreign affairs and security affairs. In this country, three parties--the Independence Party, the Social Democratic Party and the Progressive Party--and the greater majority of the nation have succeeded in uniting on the main points of such a policy. The People's Alliance is on the other side and forms the weak link.

Hallgrimsson said that from the beginning of the current administration, there has been a crack in the unity on the nation's foreign affairs and security affairs and that this crack is now apparent in more and more issues. Hallgrimsson said that the current coalition agreement emphasizes our participation in Nordic cooperation and our membership in the United Nations, which is all well and good, but, because of the influence of the People's Alliance, less is said about the Atlantic Alliance and our defense agreement with the United States.

Hallgrimsson then spoke about the foreign affairs position of the predecessors of the People's Alliance, the Communist Party and the Socialist Party, a position which he said had been favorable to the Soviet Union. He reminded people that in its time the Socialist Party had been favorable to our membership in the United Nations just as other parties were. The party had even favored membership at the end of World War Two when the conditions meant declaration of war against the Axis. That was "neutrality" at that time. On the other hand, the party had respected neutrality while the friendship between Hitler and Stalin

lasted, but that respect disappeared with their friendship. He said that the position of Icelandic Socialists had therefore fluctuated on this important issue.

Hallgrímsson also referred to the experience of neutrality during World War II when three neutral Nordic nations were occupied and their experience later as members of the Atlantic Alliance, which has succeeded in ensuring peace in our part of the world ever since it was founded. Hallgrímsson said that the geographic location of the country and its strategic importance, in case of war, is such that neutrality would not be honored any more than before, and, therefore, we are left with the only choice of ensuring our security and defense, as well as our independence, by cooperating with those nations closest to use in culture, in the structure of society, and in their stands on human rights in general.

Hallgrímsson referred to the statement of the last national congress of the Independence Party, which said, among other things: "The Independence Party has lived up to its promises in foreign affairs. The party pursues a responsible foreign policy, which bases its goals on Iceland's most important interests as well as the developing tendency of nations to become more and more dependent on each other. In the ideological battle in the international arena, the position of the Independence Party is clear. The party fights for human rights and the freedom of nations and individuals to decide their own affairs without any interference from the superpowers. The Independence Party fights against the expansion of world communism and warns against the attempts of its advocates, both in Iceland and abroad, to establish such a regime here in the country; a regime which chains nations, tries to uproot their culture, regards the Christian religion as an adversary and transforms flourishing areas into poverty-stricken areas in the name of Marx and Lenin."

Increased tension has now overtaken detente, said Hallgrímsson, and it is clear that during the period of detente the Soviet Union increased its armament while the Western states reduced theirs. In the wake of this increased tension, many and various peace movements have surfaced. It is obvious that a number of sincere and honest people participate in some of these peace movements, in good faith and for a good cause, but at the same time it is obvious that some of these movements have as their only goal to weaken the defense power of the Western states unilaterally, while the Eastern bloc continues its buildup of armaments. Unilateral disarmament does not lead to peace. On the contrary, it increases the risk of war. Totalitarian states have always jumped into the breaches that have been created in the defense chain of others. Disarmament must be multilateral if it is to meet the goal for which it is intended. Hallgrímsson referred to the resolution of the national congress of the Independence Party on disarmament where it states that "the only sensible way out of the arms race is to reach an agreement on mutual arms limitation and disarmament, stage by stage, under detailed supervision."

Hallgrímsson then referred to the issue of Poland which he said showed the true colors of the Soviets, and to developments in various other states, such as Afghanistan, El Salvador, Turkey and elsewhere, about which there is no room to go into detail here. Hallgrímsson said that democracy and human rights, as we



understand the concept, only exist in 30 to 40 states in the world. In the great majority of nations, the human race lives under limited human rights or has no freedom at all. It is therefore necessary for the democratic states to keep on guard. This also applies to supporters of democracy in this country.

On the other hand, we are obligated to take an honest position toward the developing countries. The statement of the national congress of the Independence Party says on this issue: "For moral reasons, Icelanders are obligated to do whatever they can to prevent their fellow brothers in other countries and hemispheres from starving or suffering any other kind of shortage." The agreement also makes note of the fact that Icelanders have obligated themselves to "aim for 1 percent of the national income to be used for aid for the developing countries", but this contribution is now only between 0.5 to 0.6 percent.

It is our duty, said Hallgrimsson, to do whatever we can to preserve democracy and human rights in the world. It is also our duty to work for peace in the world, but that peace must be peace with freedom and not "peace" that chains nations and individuals.

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## PAPER VIEWS PERSONALITIES, ISSUES IN UPCOMING CAMPAIGN

Reykjavik MORGUNBLADID in Icelandic 15 Apr 82 p 16

[Editorial: "Survival until Fall"]

[Text] Statements made by the leaders of the Progressive Party and the People's Alliance, the work methods of ministers and the behavior of government supporters in the Althing definitely indicate that the prevailing outlook in government circles is that it is just as well to be prepared for everything, including elections next fall. Neither Steingrímur Hermannsson nor Svavar Gestsson confirm that the government will even last until fall, as both have implied, to say the least, that the results of the local elections may have a conclusive effect on the government coalition. In their own work, the ministers have begun to pave the way in their own constituencies--they have stopped looking around the whole country and have started fishing for votes, be it in the form of permits for importing fishing vessels or in the form of decisions for hydropower projects or industrial companies. It is a matter of great urgency for the People's Alliance MPs that people not forget that they are "opponents of the base". The vote fishing of individual ministers then results in disagreement with government supporters in the Althing, both fellow party members and representatives of the coalition.

When this has happened to a government, it no longer has the energy to tackle major tasks. This current government has built a very bad reputation among the public and the moral backing which many people seemed prepared to give to it, if it handled matters sensibly, has been withdrawn. The official work of various ministers in recent days and weeks contradicts people's ideas about morality in politics. The public is now aware that behind the glossy picture which the ministers have tried to paint is disorder, confusion and power struggle. Even those who defended the government and made their paper DAGBLADID its organ now declare that the government seems to be dissolving and their words may be interpreted to mean that better things have been lost.

It has been a special characteristic of this government that the ministers have always pretended that they have not hand any problems; that their main task was to indulge everyone so long as there was anything to divide up; in fact longer, as the foreign debt has increased tremendously during the last months. The final stretch in this race between the Progressives and the communists may turn out to be costly. The background is well known: The communists say that during

the current wage negotiations, the demands of the labor force must be met; of course the national economy can withstand that. The Progressives keep relatively silent about this, but say that a new step toward subsidies must be taken this fall if the inflation goal set by the government is to be met. The vicious circle has been started. The communists, however, plan to leave the government before the step toward subsidy supported by the Progressives is taken and blame the whole wage cutback on them. Many Progressives have come to realize what is ahead, but the party leadership has not had the nerve to take a firm stand and dissolve the government at the right moment for them, and now the story is that the communists feel they are gathering their weapons and believe their main hope of restoring their credibility is to deal the Progressive Party as heavy a blow as possible.

But this is not at all the main reason why the government supporters and the ministers are preparing themselves for elections this fall. This will be the excuse the communists use--since 1978 they have proven that they do not care about the welfare of the labor force after they have climbed onto the ministers' chairs on the backs of the wage earners. The ideas about a government split this fall have emerged because the government is faced with an unsolved economic problem and the threat of unemployment. Nothing has been done by the ministers to prepare the nation for meeting this problem--as they intend it to be solved by another government. The problem, however, is described in a threatening manner in a new report on the development of the national economy issued by the National Economic Institute. In this report, it is forecast that this year the national product will be reduced for the first time since 1975, and this reduction can be traced to a decrease or even a stop in capelin fishing. The report states that for this reduction to affect employment conditions in one way or another is unavoidable. The Economic Institute states further: "This will, however, probably not become clear until this fall and next winter will be the deciding factor to a very great extent, as the summer usually is a very busy time with regard to projects." The current ministers lack the political courage and ability to tackle this problem, and they want to have new elections before the problem is manifested. It is therefore evident that they do not think beyond this fall.

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## BRIEFS

AMBASSADORIAL APPOINTMENTS--Benedikt Grondal, member of parliament and former foreign minister and prime minister, will become Iceland's ambassador to Sweden. During the latter part of this year changes in ambassadorial posts will take place. Hordur Helgason, under secretary in the Foreign Ministry, will become ambassador to the United Nations in New York. Tomas A. Tomasson, ambassador in New York, will become ambassador to France, and Einar Benediktsson, ambassador to France, will go to London. Sigurdur Bjarnason, ambassador in London, will work in the Foreign Ministry here at home. Ingvi Ingvason, ambassador in Stockholm, will become under secretary in the Foreign Ministry. [Text]  
[Reykjavik MORGUNBLADID in Icelandic 30 Mar 82 p 2] 9583

EDITOR TO ALTHING--Benedikt Grondal, member of parliament, will become ambassador to Sweden this fall, as reported in the MORGUNBLADID. He will therefore resign from parliament and his first deputy Jon Baldvin Hannibalsson, editor of ALTHYDUBLADID, will presumably take Grondal's seat in the Althing. [Text]  
[Reykjavik MORGUNBLADID in Icelandic 21 Mar 82 p 2] 9583

CSO: 3111/32

## PAPER ON INTERIM GOVERNMENT, SEPTEMBER ELECTION

PM081019 Rotterdam NRC HANDELSBLAD in Dutch 29 May 82 p 7

[Editorial: "Third Cabinet"]

[Text] Around 2 weeks after the crisis in the second Van Agt cabinet the third Van Agt cabinet is entering office. The speed with which this interim cabinet was constructed deserves respect. A crisis after an extremely short period of office (the 8 months since September 1981) is better not followed by a long and difficult government formation attempt if it is only an interim solution that is being sought. This is all the more so since the previous cabinet through its lack of decisiveness did not increase public confidence in the ability of the political establishment to find an answer to the many serious economic and other problems affecting the Netherlands.

So an interim cabinet is entering office today, and one that has no firm foundation in a parliamentary majority. It will have to demonstrate its ability to make decisions in the coming months. This will require the necessary political-tactical sense as well as action and inventiveness. The Christian Democratic Appeal [CDA] and Democrats '66 [D'66] will consider themselves committed to the majority decision on the spring budget and to the government accord when it comes to formulating the budgets for 1982 and 1983. The second chamber labor party [PVDA] group will not give them support and the people's party for freedom and democracy [VVD] group, after a largely unsuccessful attempt to win some influence on the policies the new cabinet will pursue, has made do with giving the first green light. It will primarily be up to the CDA and its ministers to ensure that this light largely remains on green.

It is clear that the CDA expects much not only from the equality of the program presented by the government, but also from its strong position in the Dutch game of coalition possibilities--now and immediately after the election. In this respect the difficult question for the VVD in the coming months promises to be: Do we now want to spoil our future chances of a coalition? Against this background it is understandable that the little rooms where PVDA and VVD members discuss their views on future new coalition models have again been a little fuller recently.

We find it regrettable--not to use a stronger word--that in the maneuverings in this short government formation process it has become as good as certain that the date of the early election will be 8 September. An election campaign shortly after or--for many Dutchmen--during the holidays is an absurdity. An election less than 2 weeks before the presentation of the 1983 budget is also most unsatisfactory in as much as the voters' test of policy will come too late.

Given the seriousness of the nation's problems, the budget can only contain a number of clear policy choices (a "technical" budget is out of the question for this very reason). It is not difficult to see that there are party political objections to a somewhat later election date, but it is regrettable that they should have been a decisive factor.

The government stability and continuity which the CDA is fond of claiming for itself was not so apparent in the final phase of the government formation process which ends today--where the behind-the-scenes shuffling with ministerial candidates was responsible for a none too uplifting end. Here thoughts primarily turn to the long last day in which CDA parliamentary leader Lubbers was actually considering whether to leave his second chamber group in the lurch for a place in the cabinet. Thoughts also turn to the difficult job that Prime Minister Van Agt has taken on himself--he is now foreign minister as well as his party's leader and prime minister. It is not certain that CDA interests and the cares of the premiership will take precedence over foreign policy in the coming months, but the risk is evident.

From the government declaration (8 June) to election day there are only 10 days of second chamber meetings. Thus in the coming months the accent will fall on the cabinet on the one hand and the political parties and their preparations for the election on the other. For the PVDA especially this short period will be of the greatest importance, and the question will be whether the party is able to shake off its great personal, policy and electoral problems. If not, the next government formation process will probably be short and the PVDA's period in opposition, which begins today, probably long.

CSO: 3105/180

## PCP ATTACKS PS FOR CAPITULATING ON CONSTITUTIONAL REVISION

Lisbon O MILITANTE in Portuguese May 82 pp 6-8

[Article: "New, Serious Concessions by the PS Leadership"]

[Text] Upon the forthcoming start of the debates and voting in the Assembly of the Republic plenary, the revision of the Constitution will embark on a critical phase.

This fact would suffice to understand that the struggle in defense of the Constitution and to prevent a revision detrimental to the democratic regime cannot slacken and must be continued and intensified.

In addition, the development of the operations regarding the constitutional revision has fully confirmed the warnings and admonitions given for 2 months by the PCP [Portuguese Communist Party] about the danger involved in the PS [Socialist Party] agreement with the "AD" [Democratic Alliance] against the democratic regime.

The disgraceful "summit" held by Mario Soares and Almeida Santos with the top-ranking "AD" leaders represents a new, serious capitulation by the PS leadership with regard to some of the major demands of the reactionary alliance in connection with the organization of the political power.

On the backs of the people, and the Assembly itself, the PS leaders and heads of "AD" reached agreement on no more nor less than the reduction of the powers of the president of the republic, and a limiting of his authority over the government, with a deepseated change, in the government's favor, of the system of balance and interdependence among the organs of sovereignty, as well as turning over to the Assembly of the Republic, in which "AD" has a majority, the selection of the Constitutional Court (which is to replace the Council of the Revolution in judging the unconstitutionality of the laws), thus giving up to the reactionaries the supremacy in this function that is critical for guaranteeing the democratic conquests made by our people and the defense of democracy.

Even more serious is the fact that the damaging results of the PS-"AD" "summit" of 19 April compound the concessions made previously by PS to "AD" regarding the selection of the military chiefs and the administration of the Armed Forces.



Hence, the changes agreed upon by the PS leaders with the heads of the reactionary coalition represent a very serious threat to the Portuguese democratic regime; and for this reason everything must be done to prevent them from materializing and obtaining approval in the Assembly of the Republic plenum.

In view of that battle, let us observe in more detail the nature and significance of the most recent concessions made by the PS leadership to the reactionary parties in the area of the constitutional revision.

#### A Disastrous Explanation

The main issue of all (that of the military chiefs) has for this very reason been the one toward which the consistent democratic forces and, in particular, our party have directed their attention, and which has been most widely discussed by the public.

It became clear that the turning over to the government of the power to propose the appointment and dismissal of the Armed Forces chiefs of staff is equivalent to turning over to the executive branch the real selection of the military chiefs and to reducing the role of the president of the republic to a mere promulgation of the choice made by the government.

Hence, the governmentalization of the Armed Forces is involved. What is even more serious, in view of the reactionary nature of the political forces occupying the government ("AD") and their totalitarian ambition to control all the political power, the PS agreement with "AD" regarding the military chiefs represents paving the way for the partisanization of the Armed Forces and for their control by the reactionaries.

The explanation of these consequences, also illustrated by statements made with a certain amount of coarseness by the heads of "AD," particularly Pinto Balsemao, who in a lecture to the military did not hesitate to characterize the Armed Forces as an "instrument of government policy," expanded the movement of reproach for the PS leadership's concessions in the military area, even within the Socialist Party itself.

It was even claimed that the PS leadership was attempting to softpedal the scope of its concessions to "AD" by maintaining that the government's proposal would be confined to the selection of the CEMGFA [Armed Forces Chief of Staff], and that the other chiefs of staff would be appointed freely by the president of the republic, after having heard the view of the CEMGFA.

To impede such a change, the right wing forces launched a campaign pressuring PS to give a complete explanation of the significance of its position, to which Mario Soares assented in the television debate of 13 April, "explaining" to the delight of the right wing that, to the PS, the government's proposal (which means the selection by the government) is compulsory for all the chiefs of staff. A few days later, in the Assembly's Commission, the PS representatives offered to explain the text of its commitment to "AD" so that the reactionaries would have no doubt that PS was opening the doors for them to be able to implement the Armed Forces.

But the PS' concessions in the military realm do not stop there. It also agreed with "AD" to give the government the fundamental leadership of the Armed Forces (which is currently incumbent on the Council of the Revolution), abandoning its own proposal for the Constitution to establish the composition of the Superior National Defense Council and its powers, and leaving this to be determined by a future law which, as we know, will be made by the "AD" majority in the Assembly of the Republic.

Hence, in the realm of the Armed Forces, the PS position is a virtually total yielding to the right wing's ambitions, affording "AD" the opportunity to restore a fascist chain of command and to implement the Armed Forces against the popular movement and the democratic regime.

#### Serious Capitulation

The powers of the president of the republic with respect to the government and the composition of the Constitutional Court are the other two main issues which, on a par with that of the military chiefs, will determine the direction of the constitutional revision.

Both issues were central at the "summit" of the PS leadership with the heads of "AD," the known results of which reflect a genuine capitulation by Mario Soares and the other PS leaders associated with him to the ambitions of the reactionary forces.

The first one, the issue of the powers of the president of the republic with respect to the government, the so-called issue of "dual answerability," has its origin in the fact that both "AD" and PS, in their plans for a constitutional revision as a means of reducing the president's powers and enhancing the power of the executive branch, have proposed the elimination of the government's answerability to the president of the republic.

At present, in Article 193, the Constitution of the Republic holds that "the government is politically answerable to the president of the republic and the Assembly of the Republic."

In the coinciding proposal of PS and "AD," the government would become answerable only to the Assembly of the Republic.

This proposal for a change was also the object of the harshest criticism from the democratic forces and the most consistent democrats, and a vast movement of opposition to it is arising.

Confirming the view of various democratic circles, the president of the republic himself announced that the proposal, particularly insofar as PS is concerned, did not uphold the commitment between PS and Gen Ramalho Eanes made before the 1980 legislative elections, whereby the semi-presidentialist essence of the regime would be retained.

In view of the assumption of these positions and particularly after Mario Soares' meeting with the president of the republic on 26 March, PS proceeded to announce that it would uphold the maintenance of the twofold answerability, with some

PS leaders going so far as to state that it was necessary to return to Article 193 without any restrictions.

Now that the results of the summit with the reactionaries are known, what has been confirmed is that the PS leadership, once again, failed to honor the commitments and promises made to the public, with which it attempted to conceal its continued alliance with "AD" regarding the constitutional revision.

In fact, despite the device of words with which the issue is misrepresented in the PS agreement with "AD," the twofold answerability would not be maintained as it exists at present in the Constitution of the Republic.

Removing the word "politically" from Article 193 and part of 194, relating to the president of the republic, and introducing it in the part of this article relating to the Assembly of the Republic, what the PS agreement with "AD" means, in this regard, as was explained, moreover, by the representatives of "AD" on the commission for the revision of the Assembly of the Republic, is that the government's political answerability exists only with respect to the Assembly, and that the answerability to the president of the republic is merely institutional.

Furthermore, consistent with this, according to the terms of the agreement, the president of the republic could only dismiss the government when it became necessary to insure the regular operation of the institutions, and then only after publication of the opinion of the "Council of State" which, on the basis of previous PS agreements with "AD," will have a composition opposed to the president of the republic.

All this demonstrates quite clearly that the result is, once again, the reduction of the powers of the president of the republic and the reinforcement of the organs of sovereignty wherein "AD" is in force: the government and, secondly, the Assembly of the Republic.

The result of the PS agreement with "AD" regarding the Constitutional Court, which will replace the Council of the Revolution in the highly important mission of judging the unconstitutionality of laws, is also seriously detrimental to the interests of the democratic regime.

Agreeing that the large majority of members of the court may be selected directly by the Assembly and that the other three may be selected by the first ten, the PS leaders, if this agreement should succeed, would make the Constitutional Court completely subordinate to the Assembly of the Republic and under the dominant influence of the majority existing therein: "AD."

Incidentally, contrary to what would be the correct procedure, and in overt contradiction to their previous proposals, the PS leaders agreed to dissociate the president of the republic from appointing any representatives to the Constitutional Court, whereas the fact is that this would be a legitimate democratic expedient for denying "AD" the majority in an organ so important to the destinies of democracy and of the country.

Once again, the PS leaders yielded totally to the ambitions of "AD" and its headquarters for control of all the political power.

#### Continuing the Struggle Until the Last Minute

There are some who attempt to underestimate the very grave dangers that would result for the democratic regime from a revision of the Constitution made on the basis of the PS' latest and two previous agreements with "AD." Those who hold this view argue that socialism has always remained in the Constitution, and that the nationalizations and agrarian reform have not sustained any major attacks.

It is vital to state, first of all, that if the PS agreement with "AD" should go into effect, the term "socialism" would be retained one single time (just like the commemoration of an ancient edifice), and that it was Freitas do Amaral himself who, upon receiving from PS the great bounty of the military chiefs, the curtailment of the powers of the president of the republic and the virtual majority in the Constitutional Court, suggested that the part of Article 2 relating to socialism might not be disturbed, to preclude CDS' [Social Democratic Center Party] having to vote. It should also be stated that the nationalizations have not remained unscathed and that, with regard to agrarian reform, the PS negotiations with the reactionaries have not ended yet.

But these statements are not what is important.

The important thing is to say that, while it is true that "AD" did not succeed in obtaining from PS the revision that it would have made by way of a referendum and force if it had won the 1980 presidential elections with Soares Carneiro, the fact is that, with PS, "AD" is achieving a revision that serves its purposed very well for becoming reinforced in power so that, in a runoff, it may carry out to completion its plan to destroy the democratic regime.

So, based on the PS agreements with "AD," the Council of the Revolution is abolished; the powers of the president of the republic are drastically reduced and some which he retains, such as that of dismissing the government and dissolving the Assembly of the Republic, are subjected to very stringent terms; the military authority of the Council of the Revolution and the president of the republic is transferred to the government; and a Constitutional Court is created, objectively subordinate to and under the influence of "AD," to allow the passage of all the reactionary alliance's unconstitutional legislation against the conquests of the revolution, the workers' rights and the democratic regime.

"AD" is obtaining from PS a thorough change in the system of political power, and the operation of the organs of sovereignty and their relative weight, so as to lend more force to those in which "AD" is dominant (the government and the Assembly of the Republic), and to weaken what is not dominated by "AD": the president of the republic.

It is obvious that, from the new positions attained with the shameful cooperation of PS, "AD" would be better equipped to put into practice its plans for restoration of the economic and political power of big capital, associated with imperialism and the large estate-holders.

The PS agreements with "AD" could become consummated.

Meanwhile, for the present, nothing has yet been terminated. The changes in the Constitution will be made only in the Assembly of the Republic plenary and by a two thirds majority.

The PS agreements with "AD" on the revision of the Constitution are meeting with strong opposition from the popular mass movement, and evoking very intense condemnation among large sectors of the Socialist Party itself, various democratic personages and highly variegated military sectors.

The struggle must be continued until the last minute to preclude a revision of the Constitution opposed to 25 April, the conquests of the revolution and the democratic regime.

The surest and safest path to guarantee attaining such a great democratic goal and providing a solution for the serious political, economic and social crisis that the country is experiencing is the dismissal of the "AD"-Balsemao government, the dissolution of the Assembly of the Republic, the formation of an unbiased, democratic, caretaker government and the holding of new elections in the constitutional periods.

In democratic elections, the Portuguese people will take to the Assembly of the Republic a majority capable of making a revision of the Constitution to improve the operation of the institutions and to consolidate democracy in Portugal.

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CSO: 3101/43



## TERMS OF PS-AD AGREEMENT ON CONSTITUTIONAL REVISION

Lisbon O JORNAL in Portuguese 21 May 82 p 2

[Article by C.J.: "The Five Points of the PS-AD Agreement"]

[Text] The ad hoc commission for constitutional revision meets on Tuesday, 25 May, to vote on the text sent to it at the beginning of this week by the drafting subcommission in which all the agreements already made are condensed.

Each party will, on that occasion, submit in writing the direction of its vote, article by article, so as to associate all the legislative groups with the principles agreed upon, avoiding last-minute surprises in the plenary session.

Nevertheless, some difficulties are arising with regard to the order of the debate in the plenary session.

Thus, there is every indication that the final discussion in the plenary session will not be scheduled to begin until the first week of June, and may be finished by the end of July.

The text sent by the commission to the parliamentary groups reflects the agreements concluded by Mario Soares with Pinto Balsemao and Freitas do Amaral in five fundamental articles.

Soares-AD Agreement in Five Points

The first agreement relates to the publication of the opinions of the Council of the Republic (or of State). According to the consensus reached, the Council's opinions on the dissolution of the Assembly of the Republic and the Assemblies of the Autonomous Regions, on the dismissal of the government and on the appointment and discharge of the ministers of the republic for the autonomous regions "are published in the 'Journal of the Republic,'" and that publication "precedes the execution of the acts of the president of the republic concerned."

The agreement concluded by Mario Soares with the AD [Democratic Alliance] leaders also covers the issue of the government's dual answerability. Hence, "the government is answerable to the president of the republic and the Assembly of the Republic," ceasing to cite the term "politically." However, Article 194, interpreting this agreement, notes that "the prime minister is answerable to



the president of the republic and, in the area of the government's political answerability, to the Assembly of the Republic."

According to the Soares/AD agreement, the president of the republic "may only dismiss the government when this becomes necessary to insure the regular operation of the democratic institutions, after having heard the opinion of the Council of the Republic (or of State)." He may, on the other hand, freely dissolve the Assembly of the Republic, except "during the 6 months following his election and during the final 6 months of his term (...)."

Finally, with regard to the most controversial aspects, it is incumbent on the PR [President of the Republic] "to appoint and dismiss, at the government's proposal, the CEMGFA [Armed Forces Chief of Staff], or vice-CEMGFA, if one exists, and the chiefs of staff of the three branches of the Armed Forces, in the latter two instances after having heard the opinion of the CEMGFA."

The most argued point in the agreement, however, relates to the composition of the Constitutional Court, which has already received criticism, specifically from Jaime Gama and Luis Beiroco. Thus, "the Constitutional Court is composed of 13 judges, 10 appointed by the Assembly of the Republic and three chosen jointly by them." It is also stated that "three of the judges appointed by the Assembly of the Republic and the three chosen jointly are necessarily selected from among judges of the other courts, and the rest from among jurists."

As O JORNAL learned, in the negotiations between Mario Soares and the AD leaders there was even an admission of the possibility of the names being immediately analyzed, including a list in principle which, in any event, ended up being shelved. Socialist sources told us that they were convinced that of the 10 judges selected by the Assembly of the Republic, five would be chosen by AD and five by PS [Socialist Party]; but there is nothing in writing that would force the two sides to become associated with this agreement in principle.

This formula, which deprives the president of the republic of the opportunity to appoint his own representatives in the Constitutional Court, emerged from a proposal made by Sousa Tavares and later accepted by Almeida Santos.

A problem which is still pending and which has not yet been taken up in the final and temporary provisions relates to the date when the Constitutional Court goes into office. This cannot occur until after its organic law on operation has been approved, and hence until that time the Council of the Revolution will have to remain in office, solely for the purpose of judging constitutionality of the laws.

A group of constitutionalists linked with AD, including Barbosa de Melo and Cardoso Costa, is working on the preparation of a regulatory law for the Constitutional Court, while nothing yet has been done on the Socialist side.

Still Socialism

Meanwhile, the text that will go to the plenary session has some points yet to be resolved, specifically those relating to the issue of socialism. In view

of the substantial difference in positions, it is acknowledged that everything will remain the same, because it would be virtually impossible to find consensus among two thirds of the deputies.

#### UEDS and ASDI Vote Negatively

Members of UEDS [Leftist Union for Socialist Democracy] and ASDI [Independent Social Democratic Association] told O JORNAL that they intended to vote against the formula arrived at for the establishment of the Constitutional Court. Moreover, with regard to UEDS, it is known that it will vote against "all aspects of deletion of ideology," as well as certain consensuses arrived at by PS and AD in the area of news media.

The parties affiliated with the former FRS [Socialist Republican Front] will, in addition, uphold two proposals in this area, "establishing the rights of journalists and aiming at making it compulsory for the heads of news media organs which have been taken over by the state to be appointed by a qualified majority of two thirds of the deputies."

On the other hand, it is admitted that ASDI will not back some of the agreements made by PS and Mario Soares with AD, but thus far a final decision has not been made.

2909

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## EANES AT ODDS WITH PS OVER CONSTITUTIONAL REVISION

Lisbon O JORNAL in Portuguese 21 May 82 p 44

[Article: "Eanes May Denounce Agreement with PS"]

[Text] O JORNAL learned from generally well-informed sources close to Belem that, if the proposal for a constitutional revision agreed upon between PS [Socialist Party] and AD [Democratic Alliance] is approved by the Assembly of the Republic, Gen Ramalho Eanes will not resign his position as president of the republic, but may denounce the agreement with PS.

Eanes reportedly has reservations, particularly regarding the elimination of the term "politically" in the terms of the government's answerability to the president. He is of the opinion that the way in which the prior publication of the compulsory opinion of the Council of the Republic on the possible dissolution of Parliament is stipulated could relate to a kind of psychological pressure, rather than political opinion, and arouse conflicts of various types; and he also disagrees with the composition of the Constitutional Court.

According to the same sources, the PR [President of the Republic] may think that, if that proposal were approved, his powers would, in fact, be actually reduced in comparison with what he really has; which would represent failure on the part of PS to fulfill the agreement that it made, although without the seriousness that it would have in the formula initially called for.

The hypothetical denunciation of the agreement with the PS by the PR might become publicized and, in principle, the result would be that Eanes would consider himself disengaged from what is stated in that understanding, without noting any obstacles to the activation of a political movement of which he would be a fundamental reference point, although he would not belong to it so long as he remained in Belem.

PS requested a hearing at Belem this week to inform Gen Ramalho Eanes about the progress of the constitutional revision and its implications.

## Parliamentary Group 'Undramatizes' Political Commission

There has been some undramatizing of the atmosphere surrounding the meeting of the Socialist Party's Political Commission that will take place tonight in Rato

Square. In fact, yesterday (Thursday), the Socialist parliamentary group generally approved the PS plan for constitutional revision. However, avoiding an imminent confrontation, the deputies made it clear that they did not wish to vote on the famous issue of the government's dual answerability to the president of the republic, so as not to be forced into opposition.

The deputies did not hold any voting, and the majority came out in favor of "endorsing the report in its entirety, except insofar as the president-government relations are concerned."

The articles which evoked reservations are 193, 194, 198 and 149.

Sources close to the PS Standing Commission announced, for tonight's meeting, the possibility of approval for a political recommendation to the parliamentary group to the effect that the orientation related to the agreement on constitutional revision should be implemented.

#### Soares Threatened to Appeal to the Rank and File

On Wednesday, in Sao Bento, a somewhat agitated meeting of the Socialist parliamentary group took place.

The first speech was given by Mario Soares. The PS secretary-general denied the rumors claiming that the agreement with Eanes would be broken and accused the minority of blocking the constitutional revision with its critical position. Soares demanded that the minority accept party discipline, threatening "to go to the rank and file" if that did not happen.

After a critical speech by Adelino Teixeira de Carvalho ("Labor Left"), and several questions, the first in-depth address was that of Vitor Constancio, who criticized the agreement made with AD, specifically with regard to the elimination of the word "politically" in the terms of the government's answerability. He said that the group from the former secretariat and its backers had no notion of breaking party discipline, and the former secretariat would have liked the differences to be quite express, so as not to be held to blame for the solution arrived at between AD and PS. Constancio criticized the PS deputies associated with the constitutional revision for not having made the necessary consultations, but acknowledged the authority of the party organs and of the revision commission.

Almeida Santos upheld his views in moderate terms, and Salgado Zenha explained why, in his opinion, there has been a violation of the agreement with Eanes.

Owing to previous commitments, Mario Soares left the meeting before it ended, and Jaime Gama, who has publicly assumed a differing position on the Constitutional Court issue, was away from Lisbon (he did not appear at the meeting on Thursday evening either).

Following Wednesday's session, the warnings were issued by the majority to the minority. Mario Soares' supporters stated: "The majority will not go back on the agreement for constitutional revision." They also declared that the text

of the agreement on constitutional revision should be submitted "on an urgent basis" to the Assembly of the Republic plenary, in view of "the country's serious political and economic situation."

In the event that the minority should cause problems at the Political Commission meeting, the PS leadership is ready to assume a position of force.

The meeting of the Political Commission is being held for the purpose of analyzing the national situation, the constitutional revision process and the preparations for local government elections, which are lagging considerably. But there will also be an election of the Standing Commission wherein, as O JORNAL announced first-hand, Campinos will leave and Antonio Campos will enter the organization's top-ranking position.

The next day (Saturday), the National Commission will meet, also at the Rato location, with a similar work schedule, lacking the Standing Commission issue but with the "agenda" on the "party organization."

#### Former Secretariat 'Moves'

These meetings of the parliamentary group and organs of the party were planned by the "former secretariat" group, specifically with a major meeting on Wednesday night. O JORNAL learned that the possibility that Zenha, Constancio, Sampaio and their comrades may disclose the assumption of a public position within the next few days has not been precluded.

The Troia meeting "heated" spirits. The guests of the former secretariat group were not present and they made harsh criticism of the content of a document approved on that occasion.

With a plan for "reappearance," the former secretariat attached significance to a session planned for Thursday night (the time when this edition closes), at the Portuguese Association of Economists, where Vitor Constancio was a lecturer.

#### The 'Case' of the Hearing With Eanes

Meanwhile, on 17 May (Monday), the PS Standing Commission met and released a communique in which it announced that it had been decided, within the context of the institutional dialog, to request a hearing with the president of the republic to assess "the disturbing development of the country's political, economic and social situation."

However, the telephone request directed toward Belem by Jorge Lacao, Soares' private secretary, specified the constitutional revision issue. Sources close to the PS leadership also told O JORNAL that the hearing was intended to inform the president of the objectives governing the PS-AD agreement on constitutional revision, and to assert at Belem the claim that there has been no violation of the agreement between PS and the president of the republic.

The hearing, to be held before the end of the month, can only take place next Monday, because Mario Soares leaves for Helsinki on Tuesday and will not return until Friday. But, as of the time when we are closing this edition, the president's office had not yet scheduled the hearing. Jaime Gama and Almeida Santos are to accompany Soares to Belem.

Meanwhile, sources close to the PS secretary-general claim that the minority's position regarding the constitutional revision agreement "does not make sense." And they explain why: "The formal agreement goes further than the FRS [Socialist Republican Front] plan."

According to the backers of Mario Soares and of the PS-AD agreement on constitutional reform (and in this respect it is odd to note the apparent contradiction that Luis Nunes de Almeida, associated with the minority, has been one of the defenders of the formula of consensus arrived at during the meeting with AD), the establishment of the Constitutional Court "was a matter completely omitted" from the FRS constitutional revision plan which (as the same sources point out) was also underwritten by the present minority at that time. Also according to the so-called "Soarists," the "question of whether or not the agreement with Eanes is being kept relates exclusively to the government's subordination to the president of the republic" which (in the opinion of the majority) has been "called for"; although it is also admitted that, in the initial agreement, the issue of the "dual answerability" lent itself to different interpretations. In other words, as a leader close to Mario Soares remarked, "If PS gives the PR the opportunity to dismiss the prime minister and to dissolve the Assembly of the Republic, the initial agreement is being kept."

The Socialists who uphold the PS-AD agreement as it was made also have the view that "PS could have found a better formula, but this has nothing to do with the agreement with Eanes." And they add: "The problem that is posed is whether the individuals want to carry the revision to a successful conclusion or want to invent excuses for not doing so."

2909

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## PASSIVITY DEPLORED AS NATIONAL VALUES ARE DISCARDED

Madrid EL ALCAZAR in Spanish 22 May 82 p 3

[Article by Pablo Ortega: "Motionless Spain"]

[Text] The general feeling is that Spain's problems consist of the upcoming elections, the aloof EEC and other such daily new stories.

This is not true. These are not the problems. All of them are, of course, important and even an obsession to some people, but they do not at all represent our underlying problem. They are mere superficial vicissitudes, secondary phenomena that can conceal the basic issue, nothing more.

The basic fact of the matter is that Spain is motionless, without a pulse, no more and no less. It believes in nothing and, therefore, lacks the necessary vitality to undertake the unavoidable human task (both personal and collective) of being what it is and what it would like to become. This is perhaps because Spaniards neither know what they are nor want to be anything today.

Some will say that the above assertions are melodramatic, and the one below even more so, but this is no reason not to make them. Spain, gentlemen, has died on us. This is the real issue that we have to tackle head on, without charitable euphemisms.

Many or some will think that this, in fact, is a good development. With an inactive people, everything can be accomplished without problems, everything can be tried out. From their pragmatic viewpoint as self-interested protagonists, these people are right. Indeed, there is no peace like the peace of graveyards, even the graveyards that house the bones of peoples who were and are no more. History, someone said, is like a field of ruins. If you apply that to Spain, you will not be far off.

I would not like to be accused of being apocalyptic, much less an enlightened rabble-rouser, if I were to say that the Spanish people of yesteryear would be toppling streetcars if the things that are happening to the Spanish people today had happened to them. I do not want to get into the area of demonstrations either. Let each

person stage the ones he wants. It would be a good sign if someone were capable of doing so, because the really shocking thing about the dead is that they do not even know they are dead and, hence, what is happening to them.

There are, however, certain suggestions of a reaction. There must be some survivors then. So then, there is frequent talk today of the necessary moral rearming of the Spanish people. Very good, splendid! But since every therapy requires a prior diagnosis, we first have to ask (objectively, without any partisanship at all) the reason for Spain's moral collapse and what we have to cure ourselves of. Otherwise, the current prophets of the resurrection would wind up being what they almost always have wound up as: the purveyors of empty, fleeting rhetoric. What this means is that we urgently need our intellectuals to calmly and precisely analyze what has happened to us, if in fact our intellectuals are, for once, capable of not leaving their people exposed to the elements and if they really want to make good their own assertion of a regeneration.

But what are you telling me? some readers will exclaim. It's probably their values or our old values that have decayed. There are other ones in force now, other better ones.

If you believe that, stop reading this article. But it would be difficult, I think, to argue this position reasonably. Why are all the figureheads so nervous? Why should we be so concerned, for example, about the growing apathy of a people whose pulse is slowing down and which at this point is capable only of giving up on everything? Why talk about a moral rearming?

Allow me, then, to continue with my personal interpretation of the case, while the doctors issue their opinions. Mine will certainly be harsh and most definitely unpleasant. But that's the way it is!

When I mentioned the personal and collective elements, I was not at all trying to segment reality in the manner of traditional positivism. I was just attempting to shed light on two inseparable facets of the higher being called man.

We have to wonder then about the how and why of the terrifyingly severe deterioration in both fields. What remains of personal values? What remains of collective values? Little of either remains standing.

On a personal level, man has become the God of man, "ad maiorem Feuerbach gloriam." There is nothing absolute. Everything, starting with that aloof cynegetic element called reality, has been twisted into sheer short-run utilitarianism. And thus we see what is going on around us, a spectacle that borders on the nauseating and that I would rather not attach a name to, among other things, so that our approach remains calm and strictly analytical.

It so happens, however and paradoxically in this regard (simply because mankind was not born with a simian nature) that man does not like himself as God, especially man in Spain, even if he does not know it. Therefore, he feels amputated and dissatisfied. This is the reason for everything else. This is the reason for the bitterness and filth surrounding us, encouraged (I cannot hold anything back) by certain pseudo-policy making classes that are more than responsible for exalting any old trash. "In social dealings," Ortega wrote, "good manners are abolished. Literature, as 'direct action,' turns into insult. The formalities of sexual relations are pared back. Formalities, standards, courtesy, customs, justice, reason! Why were all these things invented, why so much complication?"

For no reason, for no reason at all, it seems. A flatulence of mankind, to be forgotten as soon as possible. We have ceased looking at the stars, and the alternative is not dry land, but the gutter, because man, especially man in Spain, is incapable of a middle ground. Either angel or devil.

Things aren't much better on a collective level in Spain either, not only because the collective cannot differ too much from the sum of the personal elements (which are in quite bad shape, as we have seen), but also due to society's own sociological characterization as a differentiated, complex unit.

In this regard, it would be fitting to cut deep with our scalpel, but it is not necessary in this case. Let us merely ask ourselves what has become of Spain. What has happened to Spain is what Mary Magdalen bewailed in the pages of the Gospels: "They have removed the lord from the tomb, and we do not know where they have put him." It applies here too. They have taken Spain away from us, and we do not know where it might be. We do not even know whether it is, in fact, to be found anywhere, because a homeland (there's that word) is not and has never been something that can be defined or reduced to certain government offices. It is something else, and if it is not, it is nothing.

Thus, Spanish emotion, if it survives, seems to have sought refuge in areas that are thought ill of. And I am using the words Spanish emotion without the slightest intellectualoid bewilderment. The emotion that remains is something, and it is not disparaged elsewhere.

I would assume that no one would be surprised if I said that I do not like England outside of England, by definition and because of its unacceptable historic track record. But there it is, standing tall, right or wrong. It is thus showing that this business of a homeland is not a bit of foolishness that man has transcended. The English know what they want, regardless of how unjust it may be. They feel united in their destiny, even if such unity has always been and is still now the source of all sorts of piracy and of almost every sort of effrontery in history.

And what about Spain? What is happening to Spain? Anyone who wants to can answer. I am not going to, even though I know the answer.

I realize, dear readers, that even though this article is far too long by now, I have still not entirely kept my promise to explain the how and why of things. The how has perhaps been more or less outlined. The why, however, remains.

It might be quite clear, but this is not the moment to embark on such a frightful mission. Suffice it to say, in the manner of the 19th century serialized article writers, that the why is to be found in Marxism, in the surrender of the intellectuals and, last but not least, in the system's inconceivable desire to survive as is. For example, by raising to the status of a norm what is normal in the street. This is something that Ferdinand and Isabella did not do. They did not exalt as law the everyday injustices of restless nobles, quite to the contrary. And this is why everything that used to be called Spain and Spaniards has now fallen apart.

8743

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## DOUBTS REVIVED ABOUT ASSASSINATION OF CARRERO BLANCO

Madrid EL ALCAZAR in Spanish 27 May 82 p 8

[Article by Ismael Medina: "The Enigmas of the Transition"]

[Text] A prominent figure who had close ties to Admiral Carrero Blanco made the following statement a few days ago: "To me there are two major enigmas: Who was behind the murder of Admiral Carrero and whether someone on the outside remote-controlled the so-called transition." These two fundamental question marks, which loom over any assessment of the current political situation, are like a powerful time bomb in the system's powder magazine.

These two all-important enigmas of the so-called transition (where was the decision made to assassinate Carrero and from where was the move towards democracy really guided) have occupied my attention for some time now. The findings of my own investigation suggest an initial qualification of the extremely serious charge that has now been put forth at an especially critical juncture for Spain: that Admiral Carrero's assassination was a government crime that removed an obstacle to the transition. This main circuit-breaking (to use the common phraseology of so-called intelligence services, which is also often used by terrorists) was indispensable in order to remove the obstacle that Franco had erected to the transition by appointing Admiral Carrero Blanco as president of government for a 5-year term.

Sensing that his own end was near, Franco looked to Admiral Carrero as the man who, by virtue of his proven loyalty to the generalissimo, would strive tenaciously to block the transition conspiracy. Carrero Blanco and Herrero Tejedor (who also passed away in astonishingly untimely fashion for Franco's posthumous aims) were key elements in this final defense. Once the government president was gone, the road was clear for the transition to democracy, one of whose obsessive goals was to prevent Franco from dying as chief of state, because this would have been tantamount to a historic victory of major medium- and long-term consequences. This is why I think that the two attempts to declare Franco incapable of governing (one when he was in what is now the Hospital Provincial and the other when he was on his death bed at Ciudad Sanitaria La Paz) are an inseparable part of the dazzlingly opportunistic charge that has now been leveled in connection with this mystery.

## "It Was the Masons"

I do not have enough space to reproduce verbatim the chapter that Gonzalez-Mata devotes to Admiral Carrero's assassination ("Les vrais maitres du monde," pp 111-116, Grasset Publishing, Paris, 1979). He confirms my thesis about the smokescreen role played by ETA in this political crime, because it was not the explosives planted by the terrorists that blew the government president's car high into the air; it was two sophisticated antitank mines, tested during the Vietnam War, that once the ETA people were gone, were placed on the grating of the conventional bombs by an international agent specializing in such missions. His name was Mathews, the same person who would later end Lord Mountbatten's life and stage the fake attack on Haig, the then commander in chief of American forces in NATO. Franco himself partially unveiled the mystery of Admiral Carrero's assassination when he commented tersely to Torcuato Fernandez Miranda after the latter had confirmed to him that it was not an accident: "It was the Masons."

Franco was right. But this is not the whole story. A group of Masons met in a chalet after Carrero Blanco's unexpected appointment as government president, to discuss the situation and assess the serious obstacles to the planned democratic transition, in which they had leading roles. It was decided that Carrero was a dangerous obstacle that could be overcome in two ways: either by altering the plan for the transition or by removing him. The sect's higher authorities were so informed.

I explained on a previous occasion that according to Gonzalez-Mata, certain American secret services eventually found out ETA's aims. In a basement on Claudio Coello Street they had recorded conversations among members of the terrorist band and passed the information on to the appropriate Spanish authorities, who, Gonzalez-Mata commented, diverted the attention of the pertinent government agencies from the case. This made the worried American agents realize that "someone at the highest level was an accomplice to the slaying." I will quote Gonzalez-Mata: "Their own superiors (the agents in the U.S. intelligence services), when informed of all this and considering that Carrero Blanco's disappearance would facilitate their country's strategy in Spain and Portugal, ordered their agents to take appropriate measures so that the attack on his life would be successful. But all of the evidence had to point to the separatist terrorists as the perpetrators." This is an important piece of information, because it shows that these services joined a conspiracy that was in progress to capitalize on its consequences for the political interests they were serving. Therefore, they had nothing to do with encouraging the attack. We could readily imagine that KGB agents were the ones who abetted ETA by providing it valuable information for its preparations and guarantees of success. It would not be the first or the last time that the KGB collaborated with the Masons.



The attack on Correo Street and the mass rallies in connection with so-called Trial 101 were part of the Marxist strategy to make use of the government president's death to hasten the transition process. One PCE leader who enjoyed Moscow's utmost trust was arrested pursuant to investigations into the slaying on Correo Street, as he was hastily burning compromising documents. He had written down a telephone number on a matchbook that opened up unsuspected horizons for investigators. But their probes soon came to an exasperating dead end. Then, the amnesty that the first transition Parliament so hurriedly granted put a final close to the affair. Subsequent efforts to destroy police files were an attempt to get rid of any background information, although for history's sake the essential data are in safekeeping today. Many will be astonished when they come to light.

#### The Bilberberg Club and the Transition

The green light for the "revolution of the carnations" was given at a meeting of the Bilberberg Club a few days before. I described this entire conspiracy, which was closely linked to the transition planned for Spain, in a lengthy essay in INDICE that no one dared challenge me on. Skillful Marxist infiltration vitiated the true Masonic nature of the "revolution of the carnations," and the Bilberberg Club has still not yet totally recovered its leadership role, in spite of the good offices of Sa Carneiro and Pinto Balsemao. The objective in Portugal was a transition exactly like Spain's.

I will quote another passage that holds a final key to the enigma: "In September 1975, a group of financiers and military officers, in other words, the elite of the Bilberberg Club, held a discreet meeting, in the presence of individuals who served as a cover, at the Son Vida Hotel in Palma de Mallorca; it was chaired by General Haig, the commander in chief of the American forces in Europe. It was organized by the World Business Council, which is made up of the best and the brightest industrialists and politicians in the Western World (among them, Luns)... They decided with regard to Spain that it had to have a team of new men who could see to it that Francoism was replaced without upheavals." One of the obligations they imposed on these "new men," aside from the ones arising from an assessment of domestic politics and the traits of this peculiar democracy, was membership in NATO, which would entail the standardization of its Armed Forces and outfitting them in accordance with the plans for the Atlantic Alliance, in keeping with the industrial interests represented at the meeting.

Now that I have briefly outlined these two enigmas, which really boil down to just one, I want to stress that it is significant that the decisive issue of the so-called transition has been raised at this juncture, when the irreversible breakdown of the transition threatens to give way immediately to an uncurbed repeat of the "revolution of the carnations."

## DEFENSE MINISTER DESCRIBES, DEFENDS POLICIES

Madrid EL PAIS in Spanish 24 May 82 pp 20, 21

[Interview with Defense Minister Alberto Oliart by Miguel Angel Aguilar; date and place not specified]

[Text] On the eve of Armed Forces Day, to be celebrated in Zaragoza, the headquarters of the Fifth Military Region, the defense minister spoke with EL PAIS and outlined his ministry's basic objectives since the unsuccessful coup of 23 February. Alberto Oliart defended his controversial personnel policy, explained his plans for improving relations between the Armed Forces and the mass media and talked about his intention of modernizing military instruction. The defense minister came out in favor of establishing Spain as an autonomous command within NATO. He also stated that entry into the Alliance would affect the army the most.

Question: The Armed Forces have two major celebrations: the Military Festival on 6 January and Armed Forces Day on the last Sunday in May. The Military Festival is a more intimate celebration, around the king, the supreme constitutional commander of the military. Armed Forces Day is dedicated to the nation. What are your goals as far as relations between the Armed Forces and society are concerned?

Answer: We want the Armed Forces to be deeply rooted in the Spanish people, to be part and parcel of them, which is essential in a sound, modern nation. The goal of all the ceremonies connected with the celebration on the 30th is to bolster the Armed Forces' ties with the people and with society and to highlight their service to the people and to society, to the laws and to the ideals that our people and society espouse.

We also want to give the common people a better understanding of what the Armed Forces are, of what their purpose is, of their spirit, of how they conceive their mission. I think that the most important thing right now is to iron out any possible misunderstandings between certain mass media and the Armed Forces, arising partly from

the trauma that 23 February caused to our social and political fabric and from its effects on attitudes towards the Armed Forces.

Question: Will the get-together between the press and the Armed Forces last December in Madrid be followed up in one way or another?

Answer: That was a shock treatment in reaction to the situation prompted by the "Manifesto of the 100." There was a widespread feeling in the Armed Forces at the time that some tried to capitalize on by saying that the press was insulting to or did not understand the military in general. We had to show that this was not so.

I think that the get-together helped to head off the effects of that situation, at least within Madrid press circles. A comprehensive, systematic course, which will last 1½ years, is now being taught for any journalists that want to specialize in military issues. This knowledge will enable them to better understand and assess what the military means.

Question: Concurrently, aren't the military's academic centers going to explain what the consequences of freedom of the press, of expression and of information are, so that those who were not accustomed to having their problems debated in public will be prepared for it?

Answer: The most important thing to me is that these ideas have been very positively embraced by the Joint Chiefs of Staff and the components of CESEDEN [Highest National Defense Studies Center]. The studies and the interaction at these seminars, plus the direct familiarity that visits to the units provide, will give rise to mutual understanding. On the one hand, the Armed Forces will come to acknowledge greater degrees of freedom as something positive, while the mass media will understand the Armed Forces better and tend to treat them more responsibly in their reporting.

Question: The civilian population senses that the military is somewhat reluctant to openly proclaim its acceptance of the constitution. Armed Forces commanding officers, in turn, feel that they are being observed with suspicion, as if they were being interrogated in this regard every time that they are promoted or take a new post. What is your view on the extent to which the public mistrusts the military's attitude towards the constitution?

Answer: As the supreme law to which all other legislation must conform, the constitution is totally adhered to. Even the military officers or civilians who like the democratic system the least realize that they have to respect it. With regard to how the constitution has been applied and interpreted, the military could well feel that this has run counter to its most deep-seated ideas on the unity and permanence of Spain.

There can be no doubt, for example, that the autonomies have been a courageous, bold and at some point, dangerous and risky move. Some political forces have not interpreted autonomy with due respect for the higher unity of the State, and thus there have been tensions that have deeply alarmed the components of the Armed Forces. I think the attempts to turn home rule into a grassroots separatist or independence movement alarm many Spaniards, including almost all members of the military, who see this as a violation of the principle of national unity.

Furthermore, our new freedoms and the legal reforms might have at times given an impression of disorder, which in turn triggered or led to a rise in crime: a breakdown of the principle of law and order.

At one point much of Spanish society was alarmed about this, though this is now past because it has been shown that law and order can be maintained and the principles of the State and of law respected within a system of freedom too.

The constitution and the democratic system have allowed Spain to take its rightful place in the concert of nations. I told our military men in Zaragoza last Thursday to mark well the fact that Spain today is an important nation within the group of the 12 or 14 leading countries in the world.

Question: This is splendidly evident in a ceremony such as the presentation of the Charlemagne Prize to King Juan Carlos in Aix-la-Chapelle...

Answer: Yes indeed, but the feeling will grow even stronger if Spanish society stops being so self-critical and gains confidence in itself and in its future. The Armed Forces or some of its representatives have had doubts at times about the course the country was on. I think that these misgivings are rapidly fading, and now the overwhelming majority feel that above and beyond the constitution, Spain is on a risky course that entails a setback for its potential as a modern Western nation.

We have to deal with the problems of the military, because they are very important and affect the entire Spanish nation. Moreover, in my judgment, we have to gradually dispel people's mistrust of Armed Forces positions, whether constitutionalist or not; we have to realize that the important thing is their sense of obedience, duty and even respect in doing things that they do not care for and in accepting things that they find unpleasant.

Question: In contrast to the constitutional concept of the military as the ultimate guarantee for the exercise of national sovereignty, there is an entire line of thought, which is very widespread in academic military circles and centers, according to which career officers are the only authentic interpreters of national values, regardless of the nation's demography at a given historical juncture. Do you feel that the military can have objectives other than the ones that the Spanish people have freely set for themselves?

Answer: The government [el poder politico] runs the nation, and the other branches of organization, including the military, have to be subordinate to it. In a nation that is developing a new form of social and political life, the government has to make a permanent effort to understand and bear in mind in all its decision-making the degree of evolution of the most important institutions, among them the military, so that everyone respects the great ultimate idea of a democratic political system.

Question: The previous regime created the illusion that Spain began on 18 July 1936. Based on a broader perspective of history and a fuller interpretation of the past more in keeping with the goal of reconciliation of the 1978 constitution, don't you think that we must urgently undertake the task of creating a new military pride based on something different than victory in the Civil War?

Answer: To me, our generation's democracy has to comprise the people who, feeling proud of having professed the ideals of the previous regime, accept the new system, as well as the other people who were totally opposed to Franco and now respect the new monarchy, in other words, all of the people who have done a synthesis without renouncing their immediate past. I don't think that anything else is possible.

Question: No one is asking them to renounce it.

Answer: We would be making a very serious mistake if we tried to build Spain's democracy through criticism of or, if you prefer, lack of respect for the immediate past, because I do not see this as necessary. We Spanish democrats have to show more trust by acknowledging that the people who supported Franco also made a contribution to the history of Spain.

I also think that we should reject those who compare the past with the present and assert that disaster has befallen us, because that is untrue; they are magnifying the shortcomings of the transition.

Question: The people who served the previous system honorably have not had problems adapting to or integrating in the new democratic system. The people who have had difficulties have been the ones who served it spuriously. Lt Gen Quintana Lacaci served for more than 20 years in the regiment of Franco's guard but he did not have to go against his feelings when he resolutely opposed the attempted coup on 23 February and defended the democratic monarchy.

Answer: There are probably people who served it spuriously or for their own interests, but a strong democracy has to understand even those who faithfully served the previous regime and remain more loyal to its principles than to the principles of democracy, and it must try to reclaim them for the system. Democracy can punish only illegal actions and must tolerate people who say they do not support the system.

Question: The contaminating effects of the ongoing propaganda from the extremist press are clearly visible within the ranks of the Armed Forces. Is the Defense Ministry doing anything in the area of internal military opinion?

Answer: Yes, we are trying to draw the military towards democracy by giving them the peace of mind and the respect they deserve and by tackling their real problems. To think that we're always mulling over political attitudes without delving into the extremely important underlying problems before us.

This is the aim of the Armed Forces modernization and supply law. If there is anything that worries the commanding officers, it is the rapidity with which our weaponry becomes obsolete, the shortcomings in organization and poor pay. Today, middle-level commissioned and noncommissioned officers have trouble making it to the end of the month.

Question: The impression exists that the government has renounced exercise of the powers that the constitution grants it to run the military administration, turning it over to the Joint Chiefs of Staff. This move has a bearing on a decision-making area, personnel policy and appointments, that makes the public uneasy.

Answer: This is an attack on the government and on me as defense minister by certain individuals or groups that have made these assertions. I don't really know why they are saying this. I can't see any difference between the appointments policy that I have pursued and the previous one.

As defense minister, I am free to propose to the government the candidate whom I deem to be the best suited for the job.

Question: The government has at times put forth these appointments very timidly, camouflaged amid the mechanics of the promotion roster, not as the legitimate results of the exercise of its powers.

Answer: Come on now! Don't try and annoy me. Timidly, no. That I cannot accept. Tell me in what cases.

Question: For example, when General Arozarena was named to replace General Quintana at the head of the First Military Region.

Answer: Madrid faced a series of problems when General Quintana left because this garrison is located within the city and is much more subject to pressures than any other.

What you were proposing was a tremendous shakeup, to see what would happen. Why should I have done this? Because three or four journalists kept harping on it, because you felt that democracy depended on the appointment of a general? That is totally mistaken, because in that



case we would be lost. In the instance that you cited, we had to demonstrate that we could trust our democracy with any general.

Question: The impression exists that the officers who have been loyal to the democratic system have been passed over because they are regarded as too high-profile.

Answer: The candidates you back are unorthodox officers who are strongly opposed in the military, and they prompt misgivings not because of their democratic ideas but because of their other stands.

Question: The upshot is that the officers who are not opposed are, for example, the ones who were involved in the 23 February coup, even though they are not on trial, and who have been systematically promoted.

Answer: You have had contact with only a few generals. You are not familiar with others who are as loyal to and as respectful of the constitution as the others but who have a different concept of the Armed Forces, one much closer to the philosophy of most of the military.

Question: The feeling is that you are concerned about achieving greater popularity within the Armed Forces, that you are acting more like a rank-and-file commander and forgetting the objectives that you are supposed to be making the military serve. This is a criticism that General Pavia leveled previously at the ministers of war and navy, according to Payne.

Answer: What I am concerned about is really understanding the Armed Forces from the standpoint of a democratic political system and preventing them at all costs from cutting themselves off from the other segments of society.

In the wake of the unsuccessful coup on 23 February, our objective has been to overcome this trauma. I am not familiar with Payne's books, but he has not experienced a coup d'etat, and I have. I lived through one on the night of 23 February from my seat in the Cortes and I have lived through it since 26 February as defense minister.

When I write eventually get down to writing a book, it might well be a classic in how to confront certain situations.

Question: Has anything come out of the Falkland Islands war that might affect the overall plans in progress for the three branches of the Armed Forces?

Answer: We have to wait and see, because for the time being we have only fragmentary information. I do not think that the fighting in the Falklands has so far revealed anything revolutionary in the military sphere or taught us anything new.

Question: What are the Defense Minister's working hypotheses regarding Spain's role on the Atlantic Alliance's Military Committee?

My idea, which I have not yet discussed with the chiefs of staff, is that the Spanish section of the peninsula and the Balearic Islands-Strait of Gibraltar-Canary Islands axis should be set up as an independent command zone answerable to the allied Military Committee. This would have to be negotiated with the other NATO member countries.

Question: How do you think Spain's joining the Military Committee will affect each of our three branches?

Answer: The navy has been working with NATO codes and directives for more than 10 years. The only problem involves updating our fleet. We could say the same about our air force, although the impact is going to be greater if we join the detection network, to which we have already made some contributions that would have to be enhanced. From the standpoint of deploying and utilizing our aircraft, NATO will not have a perceptible impact. With the adoption of the FACA program, our air force will be on a level comparable to that of any Western country.

NATO membership and operations under its directives will have the greatest impact on the army. It will have an effect on modernization, from the deployment to the makeup of our units, and also on weaponry, though to a lesser extent. The new weapons systems are already provided for in the bill submitted to Congress.

Question: Are any Spanish units scheduled to be stationed outside our borders?

Answer: That depends on the cost and on negotiations. I think that like the armies of the other allied countries, we will have regiment- or battalion-sized units attached to the quick strike force and that will move around frequently on joint maneuvers.

Question: What plans does the Defense Ministry have in the area of instruction and military academies?

Answer: Our objective is to draft a model ruling on military instruction. In the case of the army, a great deal has to be done with the Staff School, for example, which I have visited. I think that we will have to change its physical structure and provide it with the teaching materials and computers that it currently lacks.

We are taking a look at standardizing instruction in certain corps and services in the three branches (inspection [intervencion], the Quartermaster Corps, dispensary or infirmary), which is a major step from the Defense Ministry's viewpoint. As far as the General Academies are concerned, our objectives center around updating their programs and exposing them to modern techniques, without forgetting the great values such as ethics and devotion.

## MILITARY

## FEDERAL REPUBLIC OF GERMANY

## FOREIGN MILITARY AID PLANS FOR 1982-1984

Bonn WEHRDIENST in German 17 May 82 pp 1-3

[Text] Summary Table of Bonn's New Foreign Military Aid Plan 1982-84

Military Aid for New Recipient Countries in the 1982-84 Program:

(All amounts in Million DM)

Recipient Country	Grant for 1982-1984	Annual Installments			Ministry
		1982	1983	1984	
Burundi	2.5	0.8	1.1	0.6	Interior
Honduras	2.0	1.2	0.4	0.4	Defense
Jamaica	1.0	0.3	0.4	0.3	Interior
Zimbabwe	5.0	1.5	1.5	2.0	Defense
Thailand	3.0	3.0	-	-	Defense

Follow-On Military Aid From the 1979-1981 Program:

Algeria	1.0	-	-	1.0	Interior
Benin	1.0	0.5	0.3	0.2	Interior
Botswana	1.5	0.3	0.6	0.6	Defense
Djibouti	2.5	0.9	1.1	0.5	Defense
Yemen Arab Republic	a.4.0	1.2	1.4	1.4	Defense
	b.1.5	0.8	0.4	0.3	Interior
Cameroon	5.0	2.0	1.5	1.5	Defense

[Continued]

Kenya	a.4.0 b.0.5	0.8 0.2	2.0 0.2	1.2 0.1	Defense Interior
Congo, People's Rep.	0.6	0.2	0.2	0.2	Defense
Lesotho	1.25	0.5	0.75	-	Interior
Malawi	3.75	1.0	1.35	1.4	Defense
Mali	7.0	2.0	2.9	2.1	Defense
Morocco	8.0	2.5	2.8	2.7	Defense
Niger	10.5	4.0	3.0	3.5	Defense
Upper Volta	5.0	1.5	1.5	2.0	Defense
Rwanda	6.0	2.0	1.5	2.5	Defense
Zambia	3.0	1.0	1.0	1.0	Defense
Somalia	a.10.5 b. 0.3	3.1 0.1	3.0 0.1	4.4 0.1	Defense Interior
Sudan	11.0	2.5	4.5	4.0	Defense
Togo	4.0	1.0	1.0	2.0	Defense
Turkey	15.0	4.0	5.0	6.0	Interior
Tunisia	a.11.5 b. 2.5	2.5 1.0	4.5 1.0	4.5 0.5	Defense Interior
Zaire	4.0	1.0	1.5	1.5	Defense
Smaller Projects in Various Countries	7.6	2.6	2.5	2.5	Interior and Defense
Total	146.0	46.0	49.0	51.0	

Honduras and Jamaica are the first two Central American states to ever receive German military or police aid (See WEHRDIENST 842/82).

German industry derives a two-fold advantage from the FRG Government's program: 1. Materiel to be delivered as military aid constitutes new orders to manufacturers insofar as the Bundeswehr does not deliver surplus property. 2. Military aid is immediately followed by arms exports and civilian exports. Military aid thus opens the door for commercial follow-on business. In the following we cite some details of the program, where the FRG Ministry of Defense and the FRG Office for Defense Technology and Procurement serve as executive agencies. Details concerning German police assistance, with the FRG Ministry of the Interior serving as executive agency, can be found in the Griephan Report NEWS ON POLITICS AND THE ECONOMY (INFORMATIONEN AUS POLITIK UND WIRTSCHAFT).

#### Concerning Military Aid to New Recipient Countries:

- Honduras: according to government statements, the amount of DM 2 million is designated for "a self-contained facility in the communications area." No further details are (unfortunately) given.
- Zimbabwe: The FRG is providing DM 5 million worth of motor vehicles and communications equipment.
- Thailand: with its military aid, the FRG will facilitate the establishment of a secure mobile communication system. According to the Ministry of Foreign Affairs, the armed forces are planning to replace their obsolete system with AEG-Telefunken equipment. To begin with, the Thai Armed Forces are planning a pilot project costing about DM 6 million, with financial participation by Thailand. Thailand will be given DM 3 million for "a self-contained facility in the communications area."

#### Concerning Countries To Continue Receiving FRG Military Aid:

- Botswana: The DM 1.5 million will serve to extend the mobile border control radio network. Radio vehicles and one fixed radio station have already been delivered.
- Djibouti: The FRG is allocating the DM 2.5 million primarily for the extension of the initially completed first segment of the radio network and for delivery of additional vehicles and construction machinery.
- Yemen: with the amount of DM 4 million, the FRG plans to modernize the radio network, provide additional military hospital equipment and spare parts for previously delivered vehicles.
- Cameroon: emphasis of German aid continues on the armed forces' communication system. A part of the DM 5 million will be spent by the Ministry of Defense on equipment for the road construction engineer battalion.
- Kenya: the Ministry of Defense will deliver an additional DM 4 million worth of transport vehicles and communications equipment and will also invest in training facilities which will enable the country to improve materiel maintenance.

- Congo: DM 0.6 million is intended for the Brazzaville military hospital, for additional procurement of equipment and its maintenance.
- Malawi: emphasis in using the forthcoming aid is on training. The Ministry of Defense plans to spend DM 3.75 million for education and training shops, to be built and equipped for the training of motor vehicle and aircraft mechanics.
- Mali: The Defense Ministry will spend DM 7 million on the improvement of the infrastructure (shops, hangers, training facilities) and on replacing obsolete road construction machinery.
- Morocco: there are to be further improvements in feeding facilities for the armed forces (field kitchens, bakeries, refrigerated vehicles).
- Niger: Engineering support (machinery, shop construction).
- Upper Volta: the German-equipped engineering unit will be reinforced (also, equipment for asphalt road construction).
- Rwanda: equipment for a new road construction engineering unit.
- Zambia: improvements in the transport system and police matters.
- Somalia: Additional improvements of the transport system.
- Sudan: support for the health system, construction and equipment for a military occupational training facility.
- Togo: engineering machinery to establish a road construction capability.
- Tunisia: further improvements in the army's health service.
- Zaire: Further expansion of the border control radio network.

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## OFFICIAL DISCUSSES FUTURE OF ARIANE, SPACE PROGRAM

Paris INDUSTRIES ET TECHNIQUES in French 10 Mar 82 p 78

[Report by Alain Perez on presentation given by CNES Inspector General Jean Gruau at colloquium on high technology, 17-18 Mar 1982]

[Text] Airbus, Gazelle, CFM-56, Mirage. The forces of the French aircraft industry are known. A number of these projects to a great extent involve international cooperation. But the balance sheet remains positive: a balance of Fr 13.7 billion in 1980. These successes put France into the exclusive club of big aircraft producers. With Ariane, France is in the even more restricted field of pretenders to the space industry which is now opening up.

There are six sectors: Aircraft, helicopters, missiles, ballistic and space systems, power plants, and equipment. Each has its own driving force: Dassault, SNIAS [National Industrial Aerospace Co.], MATRA [Mechanics, Aviation and Traction Co.], SEP [European Propulsion Co.], Thomson, and SNECMA [National Corporation for Aircraft Engine Design and Construction]. There are five schools: Sup Aero, of course, but also ENSICA [Advanced National School of Engineers of Caen] and ENAC [National School of Civil Aeronautics at Toulouse, ENSMA [Advanced National School of Mechanics and Aerotechnics] at Poitiers, and ESTA [Special School of Aeronautical Projects] at Orsay. Next, there are two major organizations: CNES [National Space Studies Center] and ONERA [National Office of Aerospace Studies and Research]. Overall, more than 110,000 persons.

"We are between 5 and 7 years behind the Americans and that figure remains constant," Jean Gruau, the CNES [National Space Studies Center] inspector general, estimated in his report. "Compared to the Russians, we are still 3 or 4 years behind, but we are catching up with them. On the other hand, the Japanese will have caught up with us between 1990 and 1995." In the space race, industrial power will henceforth count for more than technology. "High technology is the art of using a maximum of miniaturized parts. There are 17,000 electronic components in Ariane. There are only two or three which are not listed products." Here are two examples of this high state of the art. The second-stage Ariane tanks are 2.2 millimeters thick. "At 2 millimeters, they crack; at 2.4 millimeters, they are too heavy. The nozzle material is subject to fatigue at 1,150 degrees Celsius. But we are working between 1,100 and 1,125 degrees Celsius."

Today, France is the third power in space. "We are not from total autonomy. Above all, we must not depend on anybody who might block a project." This is

still true of the UDMH [unbalanced? dimethylhydrazine] fuel which is imported from the Soviet Union. The same applies to carbon fiber, all of which is completely supplied by Japan and the United States. A solution is in sight for these two basic components. The SNPE [National Propellants and Explosives Co.] is building a plant with a process of its own for this fuel. ELF [French Gas and Lubricants] and PUK [Pechiney-Ugine-Kuhlmann] have decided to go in for the carbon fiber line to some extent.

But this does not apply everywhere. The knowhow is still very often beyond the Atlantic. "When we wanted to send trainees to NASA to study space quality control, the State Department turned us down. In such a case, political power is brought into play. But now we are considered potential competitors."

#### Gaining Independence but Organizing Cooperation

In the next 10 years, 100 to 150 commercial satellites will be placed in orbit. That adds up to a market of Fr 30 billion. "These figures are solid," Jean Gruau noted. About 10 companies in the world can handle these projects properly. Two of them are French: Aerospatiale and MATRA. For Jean Gruau, independence in this case is the thing that enables us to meet quality requirements and deadlines. Regardless of what one might think, the system of just muddling through has its place in high technology and here the French are indeed muddling through. One example is the outside heat shield panels for the second stage of Ariane made of Kelgecel which must be ejected upon takeoff. They are kept in place by a strap and a cable attached to a fixed pole. When the rocket takes off, the cable breaks. The strap is detached. The panels fall off. Here again we have empiricism. Nobody in the world can explain just exactly how the injectors work. The Russians and the Americans have experience in this. They know the formulas for describing the engines and for controlling instabilities. France failed with Ariane 2 since this sort of thing had never been checked out on the test bench. This is rather normal. "Otherwise one might have thought that the gods of space were on the side of the French."

The future of Ariane lies in the more powerful versions on the drawing boards and in the cryogenic engine. "Cryogenics is worse than electronics. At minus 260 degrees Celsius, the valves, the clack valves, and the reducing valves are all solid except for helium," says J. Gruau. It took SEP 10 years to develop an engine of this type. The Japanese have decided to do the same thing. In France, we are still waiting for the government to give the go-ahead. But space technology is quickly becoming miniaturized. "The banks are interested in us. The insurance companies know how to calculate the risk. This is an unmistakable sign."

Regardless of whether it involves aircraft, helicopters, rockets or equipment, international cooperation is being intensified. "We feel increasingly close to our neighbors." Today, we prefer bilateral cooperation to the big organizations that involve many countries. The ATR-42 general transport aircraft will be developed by Aerospatiale and Aeritalia. SNIAS is also associated with the German MBB [Messerschmitt-Boelkow-Blohm] and American Ford-Aerospace. Belgian and Swedish industrialists will participate in the Spot and TCI [expansion unknown] programs.

For the time being, the space industry pie is reserved for a few specialized firms. About 30 contractors in Europe for Ariane. Overall, about 300 subcontractors. "We are no longer asking for special equipment nor for sophisticated machine tools. Above all, we need exactitude. The party that agrees to work with us must be unalterably devoted to quality and to meeting specifications. When that works well, nobody will be able to touch us," concluded Jean Gruau. In the aviation industry and in space, the system of muddling through is one thing but improvisation is another.

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